Current trends and observations regarding U.S. government policymaking on climate change.
The two question marks in the title of this article reflect the unusual degree of uncertainty about the future of U.S. government policymaking on climate change as of early 2018, particularly uncertainties about whether the current administration will be re-elected to a second term. Nevertheless, based on the evidence of the past year, there are three trends that are likely to continue for at least another year.

The first is that the current administration will to try to undo the domestic and international policies of the preceding administration. Second, state and local governments, as well as courts at all levels, will constrain the administration’s policies in some respects. Third, foreign governments will increasingly offer alternatives in their own unilateral national responses and through regional, sectoral and multilateral governance processes, as the U.S. international leadership role declines.

Details and illustrations of the three trends follow. These trends are important to environmental managers because they directly affect a wide range of specific government regulations and subsidies that are of central interest to managers in many industries.

Administration Policies

With the inauguration of President Trump in January 2017, U.S. climate change policymaking entered a new era marked by a mix of science-denial, ambiguous and contradictory statements, and of course, numerous significant policy changes. Adding to the confusion, high-level officials in the U.S. Department of Energy (DOE), U.S. State Department, U.S. Environmental Protection Agency (EPA), U.S. Department of the Interior, and other agencies have made statements and adopted policies that are inconsistent with contemporaneous official government scientific reports based on the latest climate science data and studies. While many recently appointed officials had backgrounds in fossil fuel industries and regions of the country, other high-level positions in agencies concerned with climate change, such as NASA and NOAA, remained unfilled after more than a year. Nor was there a Science Adviser to the President.

In terms of specific policy initiatives, the administration has been active on both domestic and international policy fronts. The focus of its domestic efforts has been the attempt to replace the U.S. Clean Power Plan; however, pending court cases may limit the scope of the proposed actions. A study of court cases initiated during the administration’s first year found that 60 of the cases were undertaken on behalf of climate protection and in opposition to the administration, while 22 would advance the administration’s agenda and undermine climate protection.

The administration has used the budget process to reduce climate change science and regulatory program funding. Its proposal submitted to Congress for fiscal year 2019 would have reduced funding for DOE’s renewable energy and energy efficiency programs by more than 70 percent. For the fiscal year 2019 budget, the administration also proposed virtually eliminating funding for EPA climate change programs. Congressional action on the budget thus far has been mixed with support for some reductions and opposition to others; for instance, in late March, Congress passed—and the President signed—an omnibus appropriation bill that kept many EPA and DOE programs funded for fiscal year 2018 at current funding levels, despite the administration’s proposed cuts.

Other policies that have emerged in the public domain include EPA’s replacement of scientists with industry representatives on many advisory groups, and the Interior Department’s deletion of many references to “climate” or “climate change” on its website and the reassignment of a climate policy official to a non-climate accounting post.

The President’s announcement of his intention to withdraw from the Paris Agreement was the most conspicuous—but
not the only—international policy decision. For instance, the administration “zeroed-out” the U.S. contribution to the World Bank’s climate fund, with the support of the Congress in the fiscal year 2018 budget process.¹

It should also be noted that the issues concerning stated objectives and actual policies adopted need to be distinguished from tangible consequences of the policies in terms of emissions reductions, as is the case with all administrations.

**Domestic Political and Legal Constraints**

Director of National Intelligence Dan Coats, a Trump appointee, said in Senate testimony in February 2018 that: “The past 115 years have been the warmest period in the history of modern civilization, and the past few years have been the warmest years on record.” He added that climate change posed a threat to U.S. interests. At the Federal Energy Regulatory Commission (FERC), in a surprising move by Trump-appointed members, the Commission rejected by a vote of 4–1 the DOE’s proposal to increase subsidies for coal-fired and nuclear power plants.⁶

Key questions about the administration’s policies and proposals, of course, are whether they will survive congressional and court scrutiny, and how long they will last. The answer depends in part on public opinion and congressional opinion. A majority of the public recognizes the existence of climate change problems, the human-induced carbon emissions that are the primary causes, and the implications such as sea level rise. Majorities have also generally supported stronger government measures to address climate change issues.⁷ A bipartisan caucus for action on climate change in the Congress has been increasing in number, but is still rather small.⁸

There have been tangible decisions—and sometimes dramatic confrontations—by state and local government authorities to counter national government decisions. California, not surprisingly, has often been in the lead. For instance, California Governor Jerry Brown visited Beijing to sign a bi-lateral China–California climate technology cooperation agreement a matter of days after President Trump announced his intention to withdraw the U.S. from the Paris Agreement.⁹ In addition, many cities and states have undertaken initiatives on the basis of their own perceptions of what they can and should do to address climate change issues—independently of their views of the current national administration’s policies.

**International Responses**

As for world leaders, their words and, in some cases, their actions have been virtually unanimously opposed to U.S. national government policies. French President Emmanuel Macron has been particularly outspoken and active. The public display of the winners of the French government’s new grant program for U.S. climate scientists, with ample press coverage of Macron’s greeting of them in his Elysée Palace office, was a striking symbolic display of disagreement with U.S. policies. Along with other heads of government at this year’s Davos conference of business and government leaders in Switzerland, Macron challenged President Trump’s approach to international policy issues on climate change; he announced France’s plan to close all coal-fired power plants by 2021 and quipped derisively about “anybody who is skeptical of global warming.”¹⁰

In June 2017, the EU and China signed a strong and lengthy “Joint Statement on Climate Change and Clean Energy” with support for emissions trading, low-emission transport, low-carbon cities cooperation, climate technology

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cooperation, increased European Investment Bank financing of Chinese projects, and other initiatives. The governments of Britain, Canada, Germany, and India, and many other governments, have made statements and pursued policies that are directly at odds with U.S. government policies.

At the G20 Summit in Germany in July 2017, there was tangible evidence of the decline of the U.S. position in the world on climate issues: the U.S. was isolated by the other 19 countries. Germany’s Chancellor Merkel “deplored” the U.S. withdrawal from the Paris Accord and remarked on the isolation of the U.S. on climate change when she noted, “In the end the negotiations on climate reflect dissent—all against the United States of America.” British Prime Minister Theresa May reported that she was “dismayed by the U.S. position on the Paris Accord.” Later in 2017, the U.S. was not among the 35 national governments that signed a declaration at the time of the French-sponsored climate summit in December 2017 to pressure the international maritime industry to take more serious action on climate change issues.

The Future

The political context of U.S. national climate policy in the future will be significantly different, partly because of the increasing isolation of the U.S. government generally and partly because of other developments in both domestic and international politics. A Gallup Poll of approximately 1,000 respondents in each of more than 100 countries in 2016 and again in 2017 found that approval of U.S. leadership in international affairs had experienced a “free fall” when it declined to 30 percent in late 2017. This was 18 percentage points lower than the previous year and the lowest in more than four decades of asking the question. Germany was ranked first and China second. Such results may be a harbinger of a dramatic shift in international politics; it is not an exaggeration to suggest that the century-long era of U.S. leadership may have come to an end. Within North America, Canada and Mexico are now regional leaders on climate change issues, as evidenced by the specifics of their Nationally Determined Contributions (NDCs) for the Paris Agreement, where for instance they include black carbon emissions while the U.S. does not.

There is also a worldwide “localization” trend in addressing climate change, though with much information-sharing via diverse internationalized partnership organizations involving industry associations, local governments, and other governmental organizations. There is, for instance, a World Ports Climate Initiative (WPCI) with a membership of more than 50 of the world’s largest local port authorities developed in conjunction with the C40 (now 92 cities committed to climate action) and the International Association of Ports and Harbors (IAPH).

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Finally, as a reminder of the unusual degree of uncertainty and confusion noted at the outset of the article, it is perhaps useful to quote President Trump as of late January 2018, when he said that he might go back into the Paris Agreement, but that it would have to be a “completely different deal”—a notion that has been repeatedly rejected by many international leaders. The President also said in the same interview—erroneously—that polar ice was increasing, despite the U.S. government reports about the same time that Arctic sea ice and Greenland’s land ice were decreasing more rapidly in recent years than previously and in fact more rapidly than previous forecasts.19

In the context of such policy uncertainties and factual contradictions, environmental managers need to use their best judgment about how these tendencies will play out in particular situations. They thus need to engage, as always, in “political risk analysis” that combines expectations about the policy and political environment with detailed knowledge of industry practices, as well as their own firm’s revenue and expense streams. Such an exercise can begin by formulating three scenarios of the future of U.S. climate change policies that are relevant to their organizations: most likely, best plausible, and worst plausible. em

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