

Message

---

**From:** Myron Ebell [Myron.Ebell@cei.org]  
**Sent:** 5/31/2018 3:05:05 PM  
**To:** Myron Ebell [Myron.Ebell@cei.org]  
**Subject:** Cooler Heads Coalition next meeting 11th June and please celebrate tomorrow's Paris anniversary  
**Attachments:** ATT00001.txt

The Cooler Heads Coalition will hold its next monthly strategy meeting on Monday, 11<sup>th</sup> June, beginning at 12 noon at CEI, 1310 L Street, N. W., Seventh Floor. Please e-mail or ring me at **Ex. 6** with agenda items or questions.

## CAFÉ

The CAFÉ notice of proposed rulemaking is likely to happen soon, perhaps tomorrow. It still includes DOT pre-emption of state regulation of fuel economy under the Energy Policy and Conservation Act of 1975, thereby making EPA's California waiver inoperative. The opposition is going to be huge, and the automakers are not going to help and may be part of the opposition. Please be prepared to support the administration's CAFÉ rollback, particularly DOT's pre-emption of California. I'll send around the announcement and talking points as soon as it happens.

## Paris Anniversary!

On June 1<sup>st</sup> 2017, President Trump announced that he would keep his campaign promise to withdraw the United States from the Paris climate treaty. The wisdom of his decision is even more evident one year later. Getting out of Paris is a major pushback against creeping international environmental governance and much more consequential than an earlier pushback—not ratifying the Law of the Sea Treaty. I hope you will celebrate the first anniversary of our liberation from Paris in an appropriate way by raising a glass or two. I think French champagne and American sparkling wine are both appropriate. I have pasted below CEI's press release and an article published yesterday in Standpoint magazine. The Standpoint article is aimed at a London chattering class audience, but makes most of the points that I think should be made.

News Releases

## **CEI on Paris Climate Decision Anniversary: Trump Should Tell the Senate to Vote It Down**

May 31, 2018

This Friday marks the one-year anniversary of President Trump withdrawing the United States from the Paris climate treaty. The Competitive Enterprise Institute strongly supported Trump's decision to end U.S. commitment to this harmful and unconstitutional energy-rationing scheme that would impoverish Americans.

Despite the strong language of Trump's statement, CEI is concerned that the president has not solidified his decision, given his choice of a slow withdrawal. CEI experts argue President Trump should submit the treaty to the Senate for ratification—which President Obama should have done in the first place—and recommend it be voted down.

CEI's energy and environmental policy experts released the following statements ahead of the anniversary:

**Director of CEI's Center for Energy and Environment Myron Ebell:**

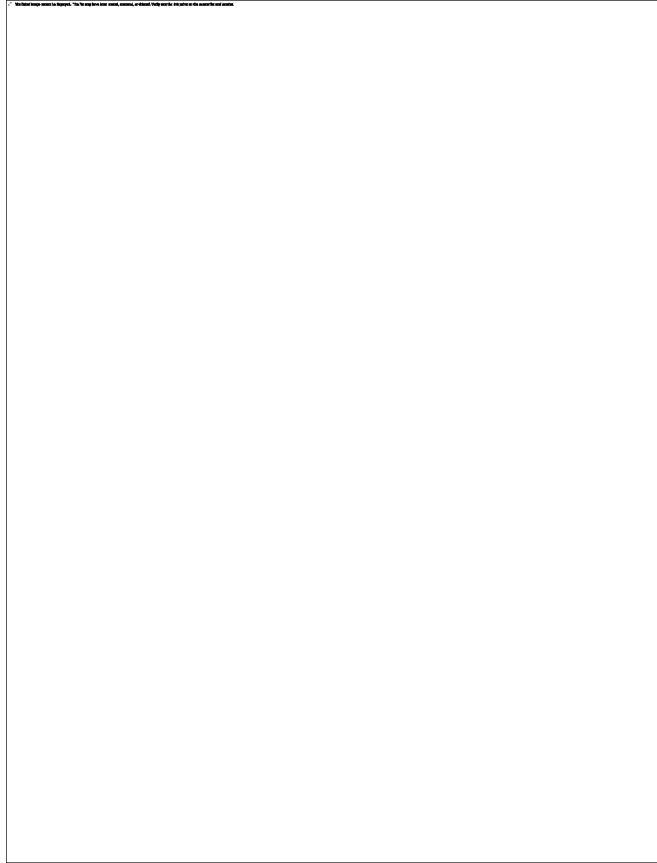
It's more evident today than ever before why Trump's decision to withdraw the United States from the Paris climate treaty was a great decision. It removed a permanent obstacle to economic growth and stopped the war on affordable energy. That is something to celebrate because we know higher electric rates hurt American consumers and businesses alike. Just look at the manufacturing sector: Under President Obama, we lost one million manufacturing jobs in eight years; while under President Trump, we've gained 183,000 manufacturing jobs.

**CEI Senior Fellow Marlo Lewis:**

The Paris Agreement aimed at 'deep de-carbonization,' while President Trump aims at 'American energy dominance.' Those are polar opposites, and Trump should be congratulated for recognizing the incompatibility of those two paths and choosing the right one. The Paris climate treaty would have endangered America's economic future and political independence. A thriving U.S. energy sector increases job creation and ensures our allies don't have to depend on Russia or OPEC for their oil and gas, in addition to lowering energy costs.

**CEI Senior Fellow Chris Horner:**

We hope President Trump will consummate the announced withdrawal, preferably more durably than the continued pen-and-phone tit for tat—each such unilateral act being subject to a unilateral reversal. He should resolve this attempted end-run around our Constitution by doing what the French, Germans, Italians, and others did: send it to the elected body that has the express, constitutional role for approving these types of commitments. Otherwise, all of the administration's regulatory gains could be for nothing, and American taxpayers will be left on the hook.



## Trump prefers energy dominance to Paris

MYRON EBELL

June 2018

*Photo: Emmanuel Macron and Donald Trump in April (©Cheriss May/NurPhoto via Getty Images)*

Donald J. Trump has made many decisions since becoming President of the United States that have offended the permanent political establishment in Washington; and in foreign policy, he has also shocked political elites in Britain and Europe by doing things that are simply not done. To take a recent notable example, in May Trump stopped pretending that payoffs to Iran would slow the ayatollahs from developing nuclear weapons. Before that, he angered pro-Arabists by moving the American embassy to Israel's capital, Jerusalem. But perhaps the foreign policy decision most upsetting to politically correct sensibilities everywhere occurred on June 1, 2017 when the President announced that the US would withdraw from the Paris climate treaty.

In the months leading up to the announcement, intense pressure was put on Trump to stay in Paris from every direction — environmental pressure groups, Democrats in Congress, mainstream media, Hollywood celebrities, countless CEOs of international corporations, and several members of his own administration, including Secretary of State Rex Tillerson. The push by world leaders peaked at the G7 summit meeting in May 2017 in Sicily, but in the end all the cajoling and coaxing from Prime Minister May, Chancellor Merkel, President Macron, and EU Commission President Juncker did not convince Trump to break his campaign promise.

Although Trump made clear in his Rose Garden speech why undertaking international commitments to reduce greenhouse gas emissions is not in America's national interest, he created confusion when he added: "I'm

willing to immediately work with Democratic leaders to either negotiate our way back into Paris, under terms that are fair to the United States and its workers, or to negotiate a new deal that protects our country and its taxpayers . . . And we'll make it good, and we won't be closing up our factories, and we won't be losing our jobs." He added to the confusion in January when, as the BBC reported, he said, "we could conceivably get back in".

Perhaps these comments were made to show, not least to his daughter and son-in-law Ivanka and Jared Kushner, that he was not unreasonable. Or perhaps Trump is deliberately creating confusion because he thinks it is in his political interest.

Whatever the motive, his comments have led many political leaders and informed observers in London and other European capitals to a serious misunderstanding. Here is just one example: the French President Emmanuel Macron said in his address to Congress in April, "I'm sure, one day, the United States will come back and join the Paris agreement."

It's not going to happen. It's not going to happen in the first Trump administration or in a possible second Trump administration. And it will be very difficult for a future president — Democrat or Republican — to get the US back into Paris or any other UN agreement to reduce greenhouse gas emissions from burning coal, oil, and gas.

To understand why the US is not going to be lured or dragged back into Paris, it's necessary to take seriously President Trump's energy agenda and the critical role it plays in his programme to revive economic growth to its historic rate of 3 per cent per year — a level never approached during President Obama's eight years in office. There are two parts to the administration's energy agenda: increasing energy production; and using America's energy price advantage to unleash a manufacturing renaissance.

First, Trump is focused on establishing American global "energy dominance". Progress toward this goal has been under way for the past decade and has nothing to do with government policy. In fact, it has been happening at an increasing pace despite efforts by the Obama administration to put on the brakes. It has happened because of the shale oil and gas revolution.

US oil production peaked in 1970 (as M. King Hubbert had predicted in 1956) at just over 10 million barrels per day and declined to a low of under 4 million barrels per day in 2008. That's when exploiting unconventional resources in shale rock formations by combining hydraulic fracturing, used over a million times in conventional oil drilling since 1949, and more recent advances in horizontal drilling became commercially viable.

The results of technological innovation by people working in a free market have been as dramatic as they were unpredicted or undirected by government. In November 2017, US oil production surpassed 10 million barrels a day for the first time since 1970. America has passed Saudi Arabia and Russia as the top oil producer and has now passed Russia as the top gas producer.

The US still uses more oil than it produces, but within a decade is likely to become a net oil exporter. The effects of this stunning turnaround are already being seen in the US trade deficit. Petroleum products accounted for over 30 per cent of the trade deficit in 2008, but less than 10 per cent last year — or a swing of \$233 billion.

The effects will also increasingly become apparent in world politics, especially now that Mike Pompeo has replaced Rex Tillerson as Secretary of State. As the energy superpower, America's geopolitical position becomes much stronger as the position of Russia, Saudi Arabia, and the other petro-states wanes. As for China, it is now the world's largest energy user. Although China mines and burns more coal than the US (which is second in both categories), it produces roughly only one-third as much oil and one sixth as much gas as the US. Energy imports are likely to be a growing drag on the Chinese economy at least for several decades.

What should the US do with its immense reserves of coal, oil, and gas? President Obama and his allies in the climate industrial complex thought we should keep as much of it in the ground as possible. After failing in his first term to get legislation through Congress to restrict the use of fossil fuels, in 2013 Obama turned to using the Clean Air Act to promulgate new regulations that would force the closure of many existing coal-fired electric plants and ban the construction of new coal plants.

Obama's domestic energy-rationing agenda made the Paris climate treaty possible. Since the Obama agenda was not set in law, but merely implemented through regulation, the Trump administration can undo that agenda without going to Congress. And that is exactly what the Environmental Protection Agency under Administrator Scott Pruitt is doing. The several rules designed to reduce the use of fossil fuels and thereby raise energy prices are being undone using the same rule-making process by which they were done.

The effects of Trump's energy deregulatory agenda are likely to be huge. Lower energy prices will obviously benefit consumers. Electric rates for households in many American states are below 10 cents per kilowatt hour, while in Britain the rate is 22 cents and in Germany 35 cents. True, Californians and New Yorkers are paying 19 cents, but they and several other states controlled by Democrats are pursuing the European Union's energy-rationing policies and indeed have promised to keep their share of America's Paris commitments to reduce emissions.

Keeping electricity rates down is also going to give manufacturers a large energy price advantage over competitors in other countries. Energy-intensive manufacturing is already coming back. The number of jobs in manufacturing is a defective measure because manufacturing output can increase while employment drops due to productivity gains from automation. Nonetheless, it is significant that manufacturing lost over one million jobs in Obama's eight years, but gained 183,000 in Trump's first year.

If the Trump deregulatory strategy is successful in reviving manufacturing, then it's going to benefit many of the states that elected Trump. With high electricity prices that are going higher, companies are not going to be building new factories in California and New York. They are instead going to build in the heartland states that will continue to rely overwhelmingly on low-cost coal and gas for their electricity. China gets it. During his visit last fall, President Trump signed a memorandum of understanding with Chinese companies to invest \$83 billion in the state of West Virginia.

When negotiations were concluded in Paris in December 2015, the agreement was hailed as historic, a landmark, and a turning point for the planet. The *Guardian* headline called it "the world's greatest diplomatic success", and the *New York Times* headline proclaimed it a "Big, Big Deal". When President Obama ignored the Senate's constitutional role in ratifying treaties (or not ratifying treaties, as would have been the case with Paris) and officially joined up in September 2016 by merely sending a letter to the United Nations signed by him, he called it "an enduring framework that enables countries to ratchet down their carbon emissions over time, and to set more ambitious targets" (which are required every five years).

Yet when the promoters of the climate industrial complex were trying to convince Trump to stay in Paris, they toned down their rhetoric — way down: it's really merely a voluntary agreement of little significance. If the US stays in, President Trump can ignore the US's commitment to reduce emissions or replace it with a much less ambitious one. No one will mind. The important thing is just to stay in the club and pretend that you're doing something to save the world.

Ha! is the only response to such bunkum. As the European Commission states in the first sentence on its Climate Action website and in bold type: "At the Paris climate conference in December 2015, 195 countries adopted the first-ever universal, legally binding climate deal."

The fact is that the Paris climate treaty is a document expressing good intentions — what is currently called virtue signalling — for every country in the world but one. When the United States makes an international

commitment, it stands by its commitment. If it doesn't, then private parties, which in this case would be that environmental pressure groups, Democratic state governors, and perhaps multinational oil corporations, file suit to force the federal government to keep its commitment.

Thus staying in Paris would threaten to stymie President Trump's ambitious plan to revive the American economy through deregulation and on the foundation of immense energy resources. If that plan succeeds, then US greenhouse gas emissions are going to stop declining, as they have done for the past decade, and start increasing again. The Paris treaty's self-imposed economic straitjacket would make that impossible.

There are, of course, those who think that global warming is a serious problem that must be addressed and that Paris is a start. Although it looks increasingly doubtful that global warming is an imminent problem as rates of actual measured warming continue to lag far behind predictions of rapid warming made by computer models, they could be right. But it is nonetheless the case that even if global warming turns out to be a problem, then the Paris climate treaty cannot possibly be the way to solve it.

To begin with, it's already failing. The treaty went into force in October 2016. In 2017, the European Union's carbon dioxide emissions increased by 1.8 per cent. Global CO2 emissions went up 1.4 per cent, according to the International Energy Agency. (By the way, US emissions continued to go down in 2017 as a result of replacing coal with gas, which is less carbon intensive.)

Two weeks of UN negotiations in Bonn in May designed to agree on a "roadmap" to implement Paris were so unsuccessful that another week of talks were scheduled for Bangkok in September. The main sticking point in Bonn was, as it always has been, that nasty little question asked by delegates from developing countries: where's the money? Then-Secretary of State Hilary Clinton and then-President Barack Obama had a wonderful idea in 2009 to push this question far into the future by proposing the creation of a Green Climate Fund. The developed countries would put in \$100 billion a year to help developing countries deal with climate change.

The Green Climate Fund was created and over ten billion dollars has been deposited, but it's supposed to start full operations in 2020. \$100 billion a year suddenly looks an impossible goal. President Trump made it clear a year ago when he pulled out of Paris that he would never ask Congress for a penny to fund the Green Climate Fund. The funny thing is that even if Hilary Clinton had been elected president, Congress would never have agreed to fund the Green Climate Fund.

By making what still seems a stunning U-turn on climate and energy policies, President Trump has every prospect of leading the United States to a more prosperous and brighter future. Britain, the EU, and the rest of the world would do well to consider following his lead.

Myron Ebell  
Director, Center for Energy and Environment  
Competitive Enterprise Institute  
1310 L Street, N. W., Seventh Floor  
Washington, DC 20005, USA  
Tel direct: **Ex. 6**  
Tel mobile:  
E-mail: [Myron.Ebell@cei.org](mailto:Myron.Ebell@cei.org)  
*Stop continental drift!*