



USCIB CROSSCUTTING POLICY BRIEF

Climate Change & Innovation: Advancing Economic Prosperity & Environmental Progress Together

EXECUTIVE SUMMARY:

As the U.S. re-joins and re-engages with the Paris Agreement, it will be expected to prepare a Nationally Determined Contribution (NDC), setting out its climate policy objectives and describing the means by which those objectives will be met. A key consideration in developing the U.S. NDC will be to catalyze U.S. private sector innovation and enhance its competitiveness by cooperating with allies inside and outside the UN Framework Convention on Climate Change (UNFCCC), not only domestically but also in the international arena, via trade, investment and public-private partnerships.

We encourage the Administration to actively and substantively engage with the U.S. business community to set priorities and pursue climate policies throughout the multilateral system that advance economic, energy and environmental benefits both at home and abroad. Clearly, an all of government approach will be indispensable and building a trusted and recognized working relationship with business will be key.

While it may be tempting to quickly announce ambitious U.S. goals for 2030 and 2050, we encourage the Administration to first carry out a thorough assessment and society-wide dialogue with U.S. stakeholders, including the U.S. business community represented by USCIB; both a focus and an outcome of that dialogue would inform the development of the U.S. NDC.

The Obama Administration did prepare and announce national pledges in 2015. However, it did so with little consultation with representative American business organizations, relying instead on selective studies and modeling. To demonstrate leadership, ensure buy-in and gain credibility, the new Administration should not repeat that approach, which will likely not adequately reflect the real world circumstances U.S. companies face in meeting the needs of people and society, nor enlist the full potential of American companies to deliver the necessary innovation, investments and results for recovery, job restoration and an ambitious climate-friendly energy transition.

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

USCIB has represented U.S. companies in the UNFCCC process since 1993. It has a unique perspective and expertise arising from its economy-wide perspective, and its integrated view of the connections across innovation, investment, trade and other policy priorities connected with international climate change policy.

USCIB is ready to assist the Administration deliver its ambitious vision for climate action and economic benefit throughout the international community in a variety of ways:

- Cross-cutting experience reflected in multi-sectoral solutions and recommendations informed by the UN Sustainable Development Goals (SDGs) and 25+ years as a trusted and responsible business voice in the UNFCCC process
- As an entry-point to global business organizations and networks, such as the International Chamber of Commerce, Business at OECD and the International Organization of Employers, as well as the Major Economies Business Forum, to advance alignment in fostering trade, investment and innovation with climate change benefits across adaptation and mitigation

USCIB's experience shows that transboundary challenges, such as climate change, are most effectively solved with the fullest possible international cooperation. As one of the world's largest emitters of Greenhouse Gases (GHGs), U.S. involvement in the UNFCCC and Paris Agreement is critical. The U.S. is also the leading source of the world's innovation and investment, a leading energy exporter, and one of the most important food producers for the world, thanks to its dynamic and dedicated private sector.

The UNFCCC and its Paris Agreement are not simply environmental treaties; they are influential frameworks for economic growth, energy access and security, job creation and innovation. Tackling the global climate challenge is a multi-dimensional venture that will require an all-of-government and all-of-society approach. USCIB is ready to partner with the Administration to approach the UNFCCC and its Paris Agreement as core frameworks in the global marketplace.

U.S. leadership in the further development and implementation of those frameworks should:

- Enable and deploy U.S. innovative technology and forms of energy, including through open rules-based trade, across every sector
- Render benefits for American jobs
- Keep energy prices for U.S. companies affordable
- Create markets and cooperation opportunities for American private sector technologies and investments

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Undertake a thorough assessment of benefits and costs of policy and market measures as the basis for a U.S. NDC for 2021 - 2026. The U.S. NDC should:
 - Be informed by substantive consultation with U.S. business and other stakeholders to reflect real world conditions – as opposed to ideal world modeling scenarios – and not be confined to mitigation options alone.
 - Set out objectives and cooperative approaches not only domestically, but internationally, considering ways to advance trade, investment and innovation to support climate objectives, promoting the full range of energy and efficiency options towards reducing GHG emissions.
 - Seek synergy with existing carbon markets in the U.S. and abroad.
 - Reflect impacts and opportunities on private sector investment, employment, energy access, trade, adaptation and resilience.
 - Recognize voluntary pledges and objectives by U.S. companies, while avoiding double-counting.
- Launch a nationwide conversation, led by the President and his Cabinet, with U.S. business groups on climate change, including a consideration of international cooperation, markets, trade and investment to mobilize and advance U.S. private sector solutions and job creation
- Re-launch the Major Economies Forum on Climate Change and Energy Innovation and add an ongoing dialogue with business communities in key countries and regions in order to advance technology cooperation, capacity building, raising of standards and sharing of good practices relating to both mitigation and adaptation.
- Announce plans to host a first ever in the U.S. UNFCCC COP/MOP 2023.