



Biden's Climate Agenda

Domestic Policy Scope and Potential Arenas for Transatlantic Cooperation

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- ▶ Joe Biden has presented an ambitious climate policy agenda and he is committed to taking on a leadership role in the area of international climate action. Despite having achieved important results after his first 100 days in office, Biden faces difficult challenges when it comes to the domestic implementation of his agenda.
- ▶ Biden's climate policy agenda provides an important window of opportunity for transatlantic cooperation. Transatlantic partners can bring new momentum to international climate negotiations by working together in international cooperation formats.
- ▶ By focussing their communication on a clear shared vision for the future, the partners can work together to bring about a global climate transformation. The phase-out of fossil fuels should be shaped into a consistent common narrative.
- ▶ A deepening and strengthening of the transatlantic climate partnership in development cooperation would be an important response to existing geopolitical challenges. After all, it is precisely in the area of energy-based relations with developing countries where the transatlantic partners are competing with countries like China and Russia.

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Joe Biden's inauguration in January of 2021 was accompanied by high hopes for climate policy – on both sides of the Atlantic. During his four years in office, Donald Trump did not pursue any ambitions whatsoever in the area of climate action. Instead he rolled back, softened or completely removed environmental protection regulations. This created difficult preconditions for Joe Biden, who had already made an ambitious climate policy a central pillar of his election campaign.

Biden has now been in office for 100 days and it is worth taking a closer look at his climate policy agenda. Has he succeeded in turning climate policy around? How much political room for manoeuvre does he have? Which climate policy issues should be at the focus of transatlantic cooperation?

1. Biden's Climate Policy Picks up Speed

When Biden took office he put climate policy at the centre of his foreign and security policy. He put veteran foreign policy expert John Kerry in charge of coordinating international cooperation. As a member of the National Security Council, Kerry holds the key position of Special Presidential Envoy for Climate. The United States have re-joined the Paris Climate Agreement and communicated a new Nationally Determined Contribution (NDC). It calls for the United States to halve its CO₂ emissions by the year 2030, relative to 2005 levels. Even under former president Barack Obama, the United States had only committed to reducing emissions by 26 to 28 percent.

The United States aims to halve their emissions by 2030, compared to 2005 levels.

At the end of April, Biden invited 40 heads of state and government to a virtual international climate summit. The new U. S. President wanted to use the opportunity to restore the confidence of the international community in the United States' leadership role in climate policy. The summit was also intended to encourage participating countries to commit to more ambitious climate policy goals ahead of the UN climate conference in Glasgow (COP26), and to make the climate targets of the Paris Agreement a greater priority in their respective economic stimulus packages. With the summit, Biden also wanted to send a signal to steer the focus of international financial markets away from CO₂-intensive investments and toward climate action priorities. The United States has laid out its own climate finance plan that is meant to support developing countries in the area of climate action. Other summit participants such as Canada and Japan have announced more ambitious climate targets.

Biden's bilateral efforts are showing initial results: In the run-up to the international climate summit, China and the United States signed a Joint Declaration Addressing the Climate Crisis. In that declaration, China also commits to prioritising clean energy technologies, including renewable energies and carbon capture and storage (CCS), in their international

investments and finance in developing countries. Other similar cooperative formats that have recently been developed include the U. S.-Japan Competitiveness and Resilience (CoRe) Partnership and the Japan-U. S. Clean Energy Partnership (JUCEP). China and Japan are among the largest state funders of international coal projects. These declarations – even if they have not yet been translated into policy – have an important signal effect.

In order to create a domestic political basis for his international action, Biden first began reviewing the climate policy regulations that the Trump administration had revoked, before initiating the process of reinstating those regulations. He aims to establish new emissions standards for the oil and gas industry, as well as energy efficiency standards for buildings and equipment. There will be no new licenses for oil and gas drilling on public lands, and the U. S.-Canadian Keystone XL pipeline project has been cancelled. Biden is also aiming to introduce stricter vehicle efficiency standards. If the president has his way, 2035 could be the last year in which automobile manufacturers are allowed to sell internal combustion engines. For all of these regulatory initiatives, however, success will in most cases likely take time. Due to the complexity of regulatory processes in the United States, it may be years before new standards are in place. In addition, they could be reversed by a future president, as we saw under Trump.

This is one of the reasons why Biden himself made clear that he wants to involve the U. S. Congress in climate policy, and that he favours an ambitious legislative approach. The political situation in Congress, however, is complicated.

2. The Climate Policy Dead End

Biden's Democratic Party enjoys only a razor-thin majority in the U. S. Senate. However, Biden requires 60 votes in the Senate when it comes to climate policy projects, such as nationwide carbon pricing or clean energy standards (which the United States understands to include not only renewable energy sources, but also nuclear energy, energy efficiency measures and CCS) in the electricity sector. Congress was only able to pass Biden's stimulus package, the American Rescue Plan, through a special parliamentary procedure known as reconciliation – without the support of a single Republican member of Congress. The stimulus package contains several climate-relevant features, such as funding for bus and rail networks and financial support for state governments to implement energy efficiency standards.

Biden's next ambitious project, however, the American Jobs Plan, will require the support of at least ten Republican Senators. The plan contains far-reaching climate action measures as it aims to promote clean energy technologies, transition the government's vehicle fleets to electric vehicles and develop a charging infrastructure. Other measures include the energy-efficient retrofitting of public buildings and achieving emission-free electricity production by 2035. Passage of the bill by Congress may take many months, with a large number of changes to be expected. Already now, harsh criticism of the bill is being voiced by Republican members of Congress. It remains to be seen just how effective the final draft bill will be for climate action.

3. The Divided Congress

On the whole, climate policy in the United States remains a highly contentious and polarizing issue. A large majority of the Democratic Party and its constituency support taking action on

Fast-track success in climate policy is not to be expected: The route through executive regulatory action takes time.

The U. S. Congress could end up being an insurmountable obstacle for Biden's climate action.

the climate. On the Republican side of the aisle, however, many members of Congress are opposed to government intervention in climate protection, preferring instead to leave this issue to the private sector. Then there are the climate sceptics: According to the Center for American Progress, there are currently 139 sitting members of Congress, or over a quarter (26 percent), who deny climate change; this corresponds roughly to the proportion of climate change deniers among the overall population of the United States. Both groups – sceptics of governmental intervention on behalf of the climate and climate sceptics – have been blocking climate legislation in Congress for years. And there is no end in sight: Again in 2020, candidates running on a platform that includes climate change scepticism and denial won seats in Congress.

4. Bipartisan Approaches to Climate Action

Even the Democratic Party does not always vote unanimously on climate action. The conservative Democrat Joe Manchin from West Virginia, Chair of the Energy Committee, is an outspoken opponent of climate action legislation. Fundamentally, both parties lack a common vision for the future of their country's economy.

While the Democratic Party strives for an energy system based on renewables, the Republican Party continues to back fossil fuels. As surveys from the Yale Program on Climate Change Communication have shown, there is widespread support among Democrats for climate policy measures such as a carbon tax, 100% renewable power or the total elimination of emissions from coal, oil and gas combustion by the year 2050. According to survey participants, the President and Congress should make climate change a top policy priority. The majority of surveyed Republicans, by contrast, support the expansion of offshore oil and gas drilling. Only few Republicans see climate action as an important priority. This thinking is also reflected in the U. S. Senate: According to Republican Senator Cynthia Lummis, “we do have time” to address climate change, which does not pose an “existential threat”; it can be addressed “without reducing fossil fuel use through capturing emissions”.¹ According to the ranking Republican member of the Senate Committee on Energy and Natural Resources, John Barrasso, imposing a cost on CO₂ will hurt American consumers through higher electricity bills and gas prices.²

In the Republican
Party, climate action
is not a priority.

In order to work on the few existing overlaps between both parties, a group of 14 Democratic and Republican Senators have been cooperating since 2019 in the Bipartisan Senate Climate Solutions Caucus. Among the climate policy solutions under discussion are, on the one hand, nonspecific solutions like measures addressing the “needs of specific sectors such as manufacturing or transportation,” or a policy for reducing emissions while also “creating 21st century jobs”. The measures also include CCS as well as energy efficiency and reforestation. Last year, with bipartisan support, Congress passed the Energy Act of 2020, which in addition to support for CCS also promotes nuclear energy, renewable energies and energy efficiency, and provides impetus for the modernisation of the electricity grid.

However, ambitious climate action legislation is doomed to failure because climate policy only has the potential for consensus as long as it does not pose a risk to the U. S. fossil fuel industry. Carbon pricing, for example, still lacks bipartisan support in the current U. S. Congress. For now, it remains up to the President to actively push climate action and provide impetus for the sustainable transformation of the American economic system.

5. U. S. States Remain Climate Trailblazers

The U. S. states will continue to play a key role in Biden's climate policy ambitions. Faced with Trump's inaction on climate issues, many states have continued to develop a climate agenda of their own. Washington and Nevada, for example, have plans to reduce their emissions to net-zero by 2050, and many other states have set their own emissions reduction targets. Most states are actively promoting the use of renewable energies in the electricity sector, while California and a number of smaller states in the Northeastern United States have instituted their own emissions trading systems. There has also been an increase in cooperation between states, which in some cases also extends beyond the borders of the United States. 25 of them have joined together to form the U. S. Climate Alliance, in which they commit independently to emissions reductions in line with the targets of the Paris Climate Agreement. With the Under 2 Coalition, California has founded an international alliance aimed at advancing international climate action. Many – although by no means all – U. S. states are thus utilising the considerable room for manoeuvre they have in order to pursue their own climate action ambitions.

Many U. S. states have been aligning themselves for years with the climate goals of the Paris Agreement.

6. Points of Interaction for Transatlantic Cooperation

After his first 100 days in office, it is clear that Joe Biden is pursuing ambitious climate plans. In particular at international level, he has been able to show initial results. At a domestic level, however, the situation remains difficult. When it comes to efforts to protect the climate, the U. S. Congress remains in a dead end. And Biden is still busy cleaning up the climate policy mess that Donald Trump left behind.

German and European policymakers can and should continue to seek out dialogue with Congress, in particular with the bipartisan Senate Climate Solutions Caucus and its equivalent in the House of Representatives. It is here where climate policy solutions are being developed which also have the support of parts of the Republican Party. However, the solutions currently being discussed do not aim to bring about a fundamentally sustainable economic transformation of the United States, and will fall well short of the emissions reductions necessary to reach the Paris climate targets.

On the one hand, the exchange with the U. S. states is the approach that could be more promising, and more beneficial for transatlantic cooperation. With the Transatlantic Climate Bridge, the German government already has an important instrument at its disposal. The expansion and consolidation of this initiative should be prioritised as it will allow German policy to benefit from the impetus coming from the climate policy ideas and innovations being advanced by many U. S. states. On the other hand, the central point of contact for a transatlantic climate action agenda is the executive branch, i. e. Joe Biden and his cabinet. With his climate policy plans, the president himself has already identified certain prioritised areas that would benefit from transatlantic cooperation, including the engagement with multilateral institutions and with emerging and developing countries.

The U. S. President is once again at the focus of cooperation.

Working Together to Make the World Climate Summit in Glasgow a Success

An important moment for transatlantic cooperation will be the COP26 (Conference of the Parties) in Glasgow on 1–12 November 2021. As the venue where the signatory states to the Paris Climate Agreement will submit their updated NDCs, this climate conference will set the tone for the coming years. The overall aim is for the international community to make greater commitments to climate protection than has so far been the case.

In the run-up to COP26, the transatlantic partners can already begin preliminary work by taking action with a common voice. After all, Germany and the U. S. have an excellent international network at their disposal – with cooperation ranging from energy and climate partnerships to participation in global governance forums such as the G20, G7 and the Clean Energy Ministerial. It is extremely important for these initiatives to generate a common momentum for climate action. Therefore, in the run-up to COP26, the transatlantic partners should make full use of the potential of bilateral and multilateral partnerships in order to promote greater ambitions in environmental protection efforts. In this context, the stimulus packages that countries are putting together in response to the COVID-19 pandemic can serve as a precursor to shaping future policy. Many countries are still focussing on fossil fuels, with more money going to the oil, gas and coal industries than to the renewable energies sector. This constitutes a missed opportunity with significant ramifications for international climate negotiations. The transatlantic partners can set a good example here by using their networks to promote the advantages of a sustainable economic policy with one voice.

The potential of joint networks can be tapped to strengthen climate action.

Consolidating Climate Transformation as a Shared Vision of the Future

Looking beyond COP26, it will be important to communicate climate transformation as a shared transatlantic vision of the future. Energy security and energy independence still form central political narratives and policy guidelines, not only in the United States. The so-called “shale revolution”, and the resulting major increase in oil and gas production, has propelled the United States into the group of the world’s largest oil and gas producers, making it largely independent of countries like Russia or the OPEC States. These industries are not only important employers in the U. S., they are also of key geostrategic relevance. Due to the sustained high level of international demand for oil, coal and gas from the United States, there has so far been no signal showing fossil fuels to be an outdated model, no indication that the future of fossil fuels will not depend on U. S. energy policy alone, but also on international demand.

In a world where fossil fuels are – and, it seems, will likely continue to be – central to the energy supply system of many countries, including the United States and EU Member States, it will be difficult to motivate Congress to adopt more ambitious climate legislation. In Germany there is a different baseline situation, as the country has very limited fossil resources of its own.

For transatlantic cooperation, this means that Germany should focus its external communication on a common and consistent narrative of climate transformation. This narrative must be incorporated into all bilateral and multilateral activities of the transatlantic partners. It should be clearly focused on green technologies, and should send the message, domestically as well as in foreign policy, that these technologies are the future. The transatlantic partners can work together in this way to ensure that financial resources will no longer be devoted to fossil fuels, neither at home nor in other countries, and to help other countries prepare for a climate transformation that will finally lead to a marked decrease in global demand for fossil fuels. Only in this way can the idea take root that renewable energy sources will form the heart of a future-proof energy supply system and successful implementation of the Paris Climate Agreement, and that energy security and energy independence will be determined by green technologies and no longer by fossil resources.

The departure from fossil fuels should become the central narrative of transatlantic climate action.

Strengthening the Resilience of Partner Countries, Tackling Geostrategic Challenges

Development cooperation will also play a central role in climate transformation, and can present a key area of activity for transatlantic cooperation. For the United States, energy security and energy independence also constitute an important principle in their energy

relations with other countries. Already under the Trump administration, for example, the development agency United States Agency for International Development (USAID) launched the next generation of the U. S.-Europe Energy Bridge. Under that initiative, USAID works together with energy providers and regulatory authorities from EU countries to help Eastern European and Eurasian countries gain greater energy independence. The programme focuses its efforts on the development of energy infrastructure in those regions. USAID also explicitly sees this initiative as an answer to the growing competition with Russia and China for regional influence.

Until now, however, it has not been adequately communicated that a climate transformation can also offer answers to such geostrategic questions, while at the same time helping countries achieve independence from energy imports through formats like the U. S.-Europe Energy Bridge. In their cooperation projects, the transatlantic partners must therefore emphasise that their engagement in third countries is clearly and exclusively focused on clean energy – a category that includes neither coal, oil, nor gas. The construction of gas-fired power plants in third countries would also influence the energy supply system in those countries for decades and cause a substantial delay in the transition to renewable energies or green hydrogen. Ultimately, this would create new obstacles for the attainment of the Paris climate targets. By promoting renewable energy systems, the transatlantic partners can work together to strengthen the resilience of their partner countries while at the same time helping to reduce global demand for fossil fuels.

Transatlantic
cooperation in environmental protection
has an important geo-
political dimension.

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 - 2 Senate Committee on Energy and Natural Resources 2021: Republican News. Barrasso: Proposals that Impose a Cost on Carbon will Hurt American Families, in <https://www.energy.senate.gov/2021/3/barrasso-proposals-that-impose-a-cost-on-carbon-will-hurt-american-families> [18.04.2021].

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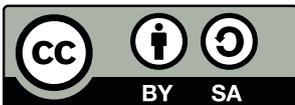
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