

Environment Alert

June 1, 2017

Sea Change? What Does Trump's Decision on the Paris Agreement Mean?

This afternoon, President Trump announced his decision to withdraw the United States from the Paris Agreement, describing it as “disadvantaging the United States” and indicating that the United States will “cease implementation” thereof, unless the United States can renegotiate its terms.

While the President announced a clear intent to withdraw from the Agreement, the legal process to accomplish that goal and how he will cease implementation remain unclear. Similarly, the ramifications that will follow his announcement to renegotiate a “new” agreement may take several courses under both international and domestic law. No country has ever left the Paris Agreement. By the Agreement's own terms, no country may give notice to the United Nations to withdraw before three years from the date the Agreement came into force, which was November 4, 2016. The Agreement further provides that the withdrawal does not become effective until one year after providing notice. That assumes, of course, that the Trump administration views itself as bound by those terms (he referred to them as “nonbinding” today) and does not challenge the validity of the Agreement itself.

Regardless of the legal path chosen, there may be immediate impacts across a broad array of interests, including:

- The decision could impact international trade with signatory countries (only Syria and Nicaragua did not sign) and may give rise to customs barriers and punitive tariff or other trade retaliation.
- The decision will impact the choices of investment funds across a number of industries, and it particularly appears likely to embolden efforts to augment climate change disclosures in the oil and gas and other energy sectors.
- The decision creates uncertainties for the domestic, regulated community as environmental requirements shift to implement the change in policy. Of particular interest will be the role that states like New York and California decide to play in addressing climate change.

Akin Gump has assembled a cross-practice team ideally suited to help navigate these changing seas:

- Our robust environmental practice includes a former deputy general counsel of the U.S. Environmental Protection Agency during the time the United States negotiated and signed the Paris Agreement, in addition to a negotiator of its provisions concerning carbon pricing, market mechanisms, technology transfer, compliance, climate finance and capacity building.
- We have the largest international trade practice, with more than 40 lawyers and professionals with experience in trade policy, customs, sanctions, export controls and trade remedy actions, including

antidumping and countervailing duty cases. Our team includes former officials from the White House, the Office of the U.S. Trade Representative, the State Department, Customs and Border Protection, and the House Ways and Means and Senate Finance committees.

- Our public law and policy practice features a bipartisan team that includes former senior-level executive branch and congressional officials with deep experience on climate change and other environmental policy matters, and intimate involvement in every major piece of environmental legislation and regulation over the last three decades.
- Our appellate group includes a former attorney adviser at the Office of Legal Counsel and a former associate counsel at the White House Counsel's Office who can help navigate the difficult legal issues likely to flow from this announcement.

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