



Can Europe Tax the U.S. for Axing the Paris Climate Change Deal?

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If U.S. President-elect Donald Trump keeps his campaign pledge of abandoning the Paris climate agreement, one of France's top politicians is already preparing a payback: A so-called European carbon tax against American imports.

“Donald Trump has said — we’ll see if he keeps this promise — that he won’t respect the conclusions of the Paris climate agreement,” former French President Nicolas Sarkozy, who is running in 2017 elections for his former post, said in an interview Sunday.

Under Sarkozy’s proposal, Europe would impose a carbon tax of between 1 to 3 percent against all products coming from the United States, if Washington “doesn’t apply environmental rules that we are imposing on our companies.”

In December 2015, negotiators from 196 countries met in Paris and pledged to tackle reduce global carbon emissions in an historic international agreement on climate change. Representatives from around the world have been meeting for a week in Marrakech, Morocco, to iron out the details of how to enact the Paris agreement.

But Trump, a longtime climate change skeptic and vocal critic of the deal, cast a large shadow over the confab in Morocco, as Foreign Policy reported last week.

Sarkozy’s proposal treads into politically contentious and legally difficult waters. Scott Lincicome, an international trade attorney with the Cato Institute, called it a “horrible idea that’s likely inconsistent [with World Trade Organization] rules.”

And Europe and the United States got into a fierce diplomatic row in 2011 when then-Secretary of State Hillary Clinton sharply rebuked the EU for trying to charge U.S. airlines for carbon emissions.

Sarkozy, seeking reelection after serving as French president from 2007 to 2012, may not need to push the new tax if Trump withdraws his promise to abandon the Paris agreement. Trump has

already backed off some political promises: On Sunday, the president-elect said the U.S.-Mexico border wall he's been pledging to build his entire campaign could just be a partial fence.

"We're in this interim period between rhetoric of the campaign and actual governing," David Waskow, director of the International Climate Initiative at the World Resources Institute, told Foreign Policy, speaking from Marrakech. "We'll have to wait to have a sense of where [the Trump administration] is headed," he added.

Still, Waskow said, negotiations remain on track in Marrakech, despite Trump's surprise victory.

"Clearly the election has created some degree of uncertainty...but the fundamental mood here is one of determination and commitment," Waskow said.