



PARIS AGREEMENT: Summary and Implications on U.S. Recreational Boating Industry

Paris Agreement: What It Is and How It Works

The Paris Agreement is a global framework for tackling climate change that was agreed-to at the 2015 United Nations Climate Change Conference.

The overarching goal of the Paris Agreement is to limit global warming to 1.5 to 2 degrees Celsius above pre-industrial levels. Rather than prescribe policies to achieve this, the agreement leaves it up to participating countries to create their own domestic plans—‘Nationally Determined Contributions’ (NDCs)—to reduce greenhouse gases (GHGs). While countries are required to “put forward their best efforts”, there is no real enforcement mechanism if their plans fail to pass muster.

Under the agreement, countries are asked to submit refreshed NDCs every five years with targets that “reflect the highest possible ambition”. The second set of NDCs was technically due in 2020, although the U.S.’ withdrawal from the agreement last year will likely delay this. The agreement also requires a ‘global stocktake’ of collective progress in meeting the 1.5–2C goal in 2023 and every five years following.

188 countries
have signed the
Paris Agreement.

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Obama/Biden Climate Policy

The Obama administration submitted the U.S.’ first NDC under the Paris Agreement in March 2015, which committed to an “economy-wide target of reducing its greenhouse gas emissions by 26–28 per cent below its 2005 level in 2025 and to make best efforts to reduce its emissions by 28%.” The plan also set a long-term target of reducing economy-wide emissions by 80% or more by 2050.

President-elect Biden rejoined the Paris Agreement on day one of his administration and has promised to lead a diplomatic effort to get other countries to beef-up their climate targets. Building on President Obama’s 2015 plan, the Biden administration has committed to “ensure the U.S. achieves a 100% clean energy economy and reaches net-zero emissions no later than 2050”; they have also promised to roll-out an enforcement mechanism with concrete emissions targets by 2025.

Also notable in the Biden climate plan:

- Using the Clean Air Act to impose new fuel economy standards for the transportation sector with a goal of electrifying all new light- and medium-duty vehicles and improving performance of heavy-duty vehicles;
- “Doubling down” on biofuels to reduce emissions from aircraft and ocean-going vessels;
- Ensuring that federal infrastructure projects reduce climate pollution;
- Mandating public companies to report climate risks and GHG emissions in their operations and supply chains;
- Conserving 30% of America’s land and water by 2030;
- Developing a national strategy for a low-carbon manufacturing sector with a focus on helping manufacturers “upgrade their capabilities to have both competitive and low-carbon futures”.

Prospects for Canadian Climate Policy and Canada-U.S. Relations

Like President Biden, Prime Minister Justin Trudeau is on record in favor of a phase-out of fossil fuels and achieving net-zero GHG emissions by 2050. The Canadian context mirrors that of the U.S., insofar as the government needs to balance an ambitious climate agenda with the political reality of regional economies heavily dependent on the oil and gas sector. That is why, for example, the Trudeau government has taken the paradoxical stance of committing to phase-out the Alberta oil sands while at the same time supporting construction of pipelines to export Alberta oil.

On that point, pipelines will likely be the biggest flashpoint in Canada-U.S. relations on climate policy. The Trudeau government has thrown its support behind the Keystone XL pipeline that would carry Alberta oil to U.S. refineries on the Gulf Coast. However, on day one in office, President Biden rescinded the permit for Keystone XL, which could still face challenges from domestic interests and Canadian stakeholders.

Impact on Recreational Boating Industry

The marine industry is well-positioned to meet the challenge of GHG reduction efforts by the U.S. government. Our sector has already made progress in phasing-out the worst offending GHGs—HFCs in floatation foam, for example—and is developing hybrid/electric engines and other technologies that will significantly reduce the carbon output of recreational boats. There is an added opportunity in pushing for the take-up of biobutanol as an alternative to increasing the ethanol content in gasoline; NMMA is a leader in biofuel technology and has extensively tested the technology.

Recreational boating accounts for **0.2% of carbon emissions.**

Politically, depending on the agreement that congressional leaders reach on the filibuster, the thin Democratic margin in the Senate could moderate environmental legislation that the Biden administration pursues in the next two years (prior to the mid-term elections). As well, recreational boating is a tiny fish in the grand scheme of carbon-emitting industries—accounting for a mere 0.2% of carbon emissions. That said, NMMA and our industry stands to benefit from the \$2 trillion that President Biden has promised to invest in sustainability and clean energy.

Conclusion

Other than setting a global target of 1.5–2C and requiring countries to submit and report on their plans, the Paris Agreement is largely a catalyst for countries to pursue their own domestic environmental policies. The right frame for scrutinizing the Agreement’s impact on recreational boating is to look at the Biden climate plan, which presents several strong opportunities for our industry to continue leading in sustainability and carbon-reducing technologies.

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