EXECUTIVE SUMMARY

The U.S. has meaningfully reduced greenhouse gas emissions over the last twenty years and most Americans express interest in climate action. To the casual observer, it might seem as though we are well on our way to lasting climate progress. A more sober assessment reveals an unfortunate reality: the greatest challenges lie ahead.

> *The U.S. has meaningfully reduced greenhouse gas emissions over the last twenty years… but global emissions are on track to be higher by midcentury than they are today.*
>
> *Most Americans support climate action… but it tends to rank far lower on their priority lists than issues like the economy and national security.*
>
> *Our political gridlock on this issue is ceding a $215 trillion market opportunity to our competitors.*

To succeed in the next era, policymakers must adopt an intentionally pro-U.S. climate approach that recognizes both the global emissions landscape and concerns facing Americans. Climate progress has too often been viewed as independent of or in conflict with other national priorities. This approach ignores the reality that the U.S. has the world's largest and most innovative economy, the richest capital markets, the most influential consumer base, and is a sought-after economic ally around the world. It is not only possible to advance our broader interests while reducing global emissions—it is necessary.

A better approach to global climate change starts with advancing U.S. interests in four key areas:

AMERICAN COMPETITIVENESS

ECONOMIC GROWTH

RESOURCE SECURITY

GEOPOLITICAL INFLUENCE

A policy strategy focused on these national priorities will elevate the U.S., our industries, and workers—and bend the curve on global emissions in the process.

AMERICAN COMPETITIVENESS: INTRODUCE ACCOUNTABILITY IN THE GLOBAL ECONOMY

As global manufacturing expands, two critical challenges emerge: carbon-intensive production and market distortions from excess capacity. Non-market actors like China use government policy to prop up and expand industries that use low-cost, outdated practices. At the same time, U.S. manufacturers have developed and invested in manufacturing methods that allow the U.S. to make the same goods with significantly lower emissions. Robust global market signals are necessary to hold emitters accountable, reward clean firms, and discourage foreign governments from distorting the market.

ECONOMIC GROWTH: EXPORT MORE U.S. MADE GOODS

There is an estimated $130 trillion in global market potential for clean energy technologies through 2050, though the U.S. accounts for just 6% of global exports in those technologies today. With public and private investment spurring rapid growth in American manufacturing of clean energy technologies, U.S. manufacturers are positioned to produce the goods, services, and experience to serve both the domestic market and the growing international market. For innovative U.S. firms to capture a share of this global opportunity, policymakers must rethink strategies for promoting domestic manufacturing to better compete internationally.

RESOURCE SECURITY: SECURE CRITICAL SUPPLY CHAINS

Expanding domestic clean energy manufacturing requires reliable supplies of critical minerals like lithium, cobalt, and rare earth elements. Global demand for these minerals is expected to double by 2030 and the U.S. remains import-dependent for most of its mineral needs. Major minerals producers like China have already used export controls to shrink mineral supplies on the global market. While domestic investments in mining and processing will help, the U.S. must develop more ambitious strategies to develop these resources at home and expedite their development abroad.

GEOPOLITICAL INFLUENCE: ACCELERATE LOW CARBON INFRASTRUCTURE IN THE DEVELOPING WORLD

Developing countries are rapidly building energy and industrial infrastructure. So far, China has dominated this market opportunity, leveraging its Belt and Road Initiative to secure energy and natural resources essential to its industrial strategy and build out carbon intensive infrastructure. To effectively compete and build commercial and geopolitical ties with emerging markets, the U.S. must adopt a more aggressive international investment approach designed to harness the power of private capital to close the investment gap with China.

This strategy leverages American strengths like innovative, low-carbon manufacturing; unmatched capital reserves; a prosperous and attractive consumer economy; and strong diplomatic relationships. It encourages us to develop closer ties with our partners and better compete with rivals that exhibit environmental apathy, economic aggression, and geopolitical hostility.

Investing in American interests is the key to driving down global emissions.