UNITED STATES

Summary

The United States continues to support fossil fuel production and consumption through public finance and subsidies, backsliding on many of its commitments to phase out fossil fuel subsidies under the Trump administration.

BIGGEST RED FLAG → The United States continues to provide significant levels of total support to oil, gas, and coal production, with this total growing as new subsidies are added and old ones are re-introduced, both at the state and federal levels (Doukas, 2018; Worrall, 2018). However, many of these production subsidies are unaccounted for in Organisation for Economic Cooperation and Development (OECD) totals—alternate accounting has estimated that these alone are USD 20.5 billion per year (Redman, 2017).

PROGRESS → There was a large reduction in international public finance in the United States in 2017–2018 compared to 2014–2017 averages, but this was due to a temporary lack of board quorum at the U.S. Export-Import Bank (U.S. EXIM) (Tucker et al., 2020). The U.S. EXIM has had quorum again since the end of 2019 and has already approved USD 4.7 billion in financing for liquefied natural gas in Mozambique, among other fossil fuel projects (Tucker et al., 2020).

Overall ranking and score *(out of 11 countries)*		6th	52/100
1. Transparency	**2nd** / Good	**$7.6 billion** total government support to fossil fuels, 2017–2019 average, USD ($2.4 billion direct transfers, $4.4 billion tax expenditure, $879 million public finance)	
2. Pledges and commitments	**11th** / Very weak		
3. Scale of support for coal exploration, production, processing, and transportation	**6th** / Low	**$990 million** of support to coal exploration, production, processing, and transportation	
4. Scale of support for oil and gas exploration, production, refining, and transportation	**5th** / Low	**$1.5 billion** of support to oil and gas exploration, production, refining, and transportation	
5. Scale of support for fossil fuel power	**6th** / Low	**$308 million** of support to fossil fuel-based power	
6. Scale of support for fossil fuel use	**1st** / Low	**$4.8 billion** of support to fossil fuel use	
7. Progress in ending support for fossil fuels	**8th** / Very poor	**40% decrease** in public finance for fossil fuels relative to the 2014–2016 averages	

See Table 2 in the main report for score descriptions and their relationship to numerical scores. Estimates in the table are in USD ($) and are annual averages based on the following sources:

- *For direct transfers and tax expenditure: OECD (2020) data, 2017–2019 averages*
- *For induced transfers: International Energy Agency (2020) data, 2017–2019 averages*
- *For public finance: Oil Change International (2020) data collected from several sources, 2017–2018 averages*
- *For SOE investment: capex data collected by Overseas Development Institute (2020) from annual reports, 2017–2019 averages*

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MAIN UNACCOUNTED FOR AND UNQUANTIFIED SUBSIDIES → Many federal rollbacks on oil, gas, and coal production regulations have taken place in recent years, including for methane limits, offshore drilling safety, and power plant emission standards (Hampton, 2019). Many top fossil fuel-producing states, including North Dakota and Wyoming, do not consistently report revenue losses from the tax breaks they provide (Redman, 2017).

The federal government is using a wide variety of new tools to reduce costs for industry, including threatening private banks with the loss of public subsidies if they do not continue financing oil and gas projects and limiting the ability of states to block interstate pipelines (Adragna, 2020).

Many production subsidies are unaccounted for in OECD totals.

COVID-19 GOVERNMENT SUPPORT → The United States provided USD 72 billion in COVID-19 support for fossil fuels as of August 12, 2020. Many response measures, like new tax breaks, environmental and health regulation rollbacks, royalty waivers and reductions, and corporate bond buybacks for the fossil fuel sector in response to COVID-19, are not yet possible to quantify in full (International Institute for Sustainable Development et al., 2020). The largest quantified amount, committed to airline companies through the U.S. Coronavirus Aid, Relief and Economic Security (CARES) Act through loans and loan guarantees, was USD 58 billion as of August 12, 2020 (IISD et al., 2020). Although there are no climate conditions attached to this package, it prohibits airline companies from firing and furloughing workers and paying dividends to shareholders while they receive such aid (IISD et al., 2020).

TRANSPARENCY & PEER REVIEWS → The United States has backslid on many of its commitments to phase out fossil fuel subsidies under the Trump administration. This includes reneging on the expected follow up on the incomplete peer review conducted in 2016 (Hampton, 2019).

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