

# **“Border Tax Adjustments and Climate Policy: Effects on Ohio”**

**Ian Sheldon**

**Meeting with OARDC - February 27, 2010**



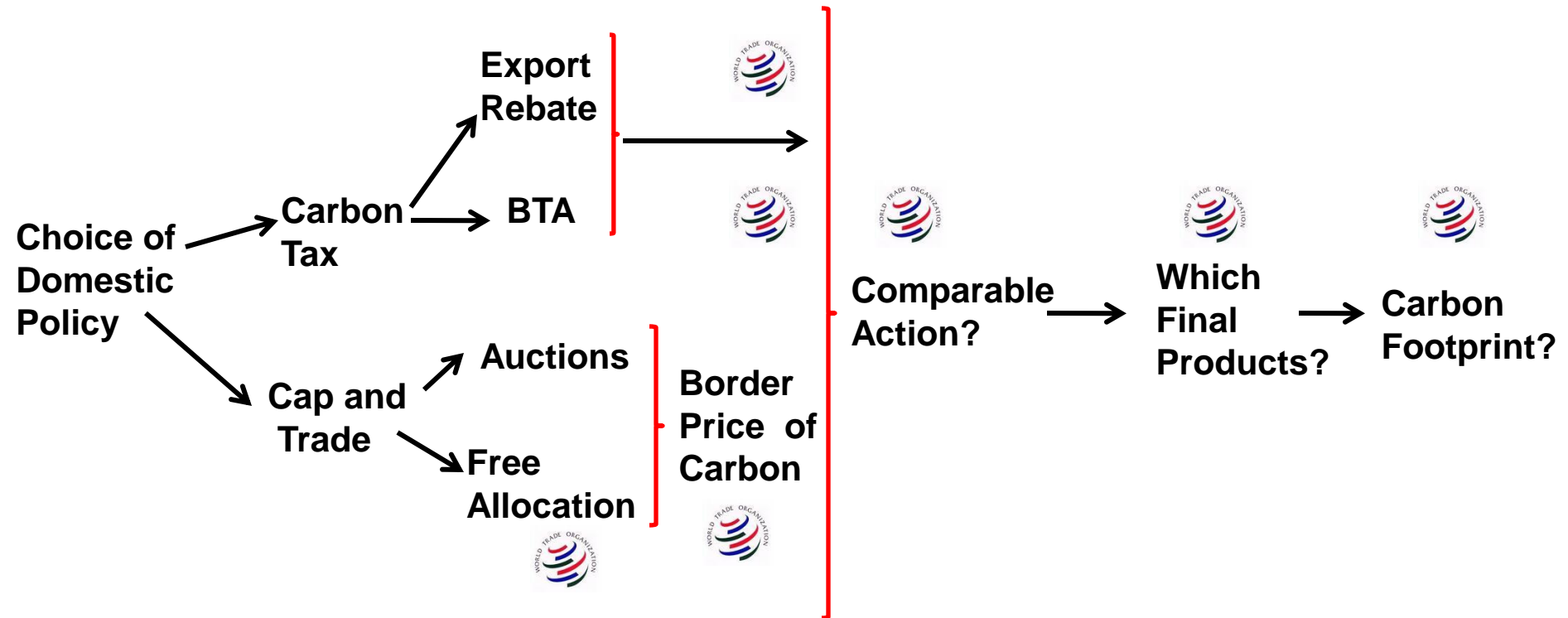
# Climate Policy and Trade Policy

- Connection between climate policy and trade policy:
  - *competitiveness* of domestic firms
  - potential for *carbon leakage*
- Calls for climate policies to be accompanied by *border tax adjustments* (BTAs) applied to carbon-intensive imports
- Waxman-Markey Bill (2009) includes provision for BTAs, and may be included in Boxer-Kerry Bill (2009)

# Analysis of BTAs

- **What are key implementation issues with BTAs?**
- **Will BTAs be deemed WTO-legal?**
- **What might be economy-wide effects of BTAs?**
- **What might be economic effects of BTAs on Ohio?**

# Some Implementation Issues



## Current Papers/Bulletins:

**I.M. Sheldon, “Climate Policy and Border Tax Adjustments: Some New Wine Mixed with Old Wine in New Green Bottles,” *Working paper*, November 2009**

**<http://aede.osu.edu/programs/Anderson/trade/Climate%20Policy%20and%20Border%20Tax%20Adjustments.pdf>**

**I.M. Sheldon, “Border Adjustments and US Climate Policy: Are they Legal?” *Andersons Policy Bulletin*, December, 2009**

**<http://aede.osu.edu/programs/Anderson/trade/Andersons%20Policy%20Bulletin%205.pdf>**

