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THE SURGE

BY THE COMPETITIVE ENTERPRISE INSTITUTE

This edition of *The Surge* includes:

- US formally notifies UN of withdrawal from UNFCCC
- Proper permitting reform includes Clean Water Act reforms
- EU attempts to impose environmental mandates on the world
- Trump administration helps to put a stop to mercury regulation mischief

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1) The Clock is Ticking on US Withdrawal from the UNFCCC

The US formally [notified](#) the UN of its withdrawal from the United Nations Framework Convention on Climate Change ([UNFCCC](#)). In January, President Donald Trump [announced](#) that the United States would be withdrawing from the UNFCCC. However, to make this formal, the US needed to send notification of the withdrawal to the UN. The good news is now that this has happened, the clock has started on the official withdrawal. [According](#) to the UN, the US notification of withdrawal was “effected” on February 27, 2026. Given the procedural requirements, the US must wait a year until the official withdrawal. As explained by the UN, the official withdrawal will be February 27, 2027. So, mark your calendar now because there will be reason to celebrate in a year.

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- [CEI commends President Trump for withdrawing US from 1992 UN Framework Convention on Climate Change](#) (Daren Bakst, News Release)
- [Trump withdraws from UN Framework Convention; ends illusion we'll always have Paris](#) (Marlo Lewis, OpenMarket)

2) Clean Water Act Reform Must Be Part of Permitting Reform

Recently, there has been even more talk about bipartisan permitting reform. Let's be clear: modest NEPA reform and bad transmission policy reform don't constitute sufficient or even good permitting reform. If conservatives are going to get behind anything that claims to be genuine permitting reform, then they should ensure that permitting reform addresses major environmental statutes like the Clean Water Act (CWA),.

Regarding the CWA, [key reforms](#) should [include](#) Section 401 reform, elimination of the EPA's retroactive and preemptive vetoes of Section 404 permits, and reforming nationwide permits (e.g. making sure regional requirements don't undermine the benefit of nationwide permits). Further, the CWA is infamous for imposing severe penalties on property owners who often don't even know they are violating the law. This must change by [eliminating](#) unreasonable penalties in the statute, adding due process protections, and in general, making the statute fair and reasonable.

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- [Modernizing Water Regulation | Featuring Senator Shelley Moore Capito](#) (Hill Briefing with Sen. Shelley Moore Capito, Daren Bakst, Tony Francois, Paige Gilliard, and Matt Adams)

3) The EU's Attempt to Regulate the World's Forests

The European Union's (EU) Deforestation Regulation ([EUDR](#)) was adopted in 2023. The rule is set to take effect on December 30, 2026, for large and medium businesses and on June 30, 2027, for small businesses.

The stated [objective](#) of the EUDR is "to reduce greenhouse gas emissions and biodiversity loss by boosting the consumption of 'deforestation-free' products and by reducing the EU's impact on global [deforestation](#) and [forest degradation](#)." To achieve these objectives, the EU has decided to push consumers toward using more "deforestation-free" products.

As part of the EUDR, all domestic and international operators and traders of certain

commodities (e.g., cattle, rubber, and wood), and products derived from these commodities (e.g., chocolate, furniture, leather, and tires), who wish to do business in, or export from, the EU must prepare a due diligence statement showing their products do not contribute to global deforestation.

The EU should not impose trade barriers to dictate how goods are produced in other countries. Nor should it be restricting consumer choice to further its environmental agenda. Individuals should be free to make voluntary purchasing decisions that best meet their needs, not have the government do so on their behalf. The EUDR is an anti-competitive market distortion that will not only impose major costs on operators across the globe but also raise prices for consumers.

Moreover, the EUDR may do the opposite of what it ostensibly intends to achieve.

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- [The problem with the EU's deforestation regulation](#) (Jacob Tomasulo, OpenMarket)

4) Trump Administration Gets Rid of Unjustified Mercury Regulations

Though not nearly as far-reaching as the recently announced end to the Endangerment Finding, the EPA's February 20 final rule repealing the Biden Administration's 2024 mercury regulations for coal-fired power plants is an important step for affordable energy as well as the rule of law.

The only real reason to target the minute traces of mercury emitted from power plants is to pursue an extra-legal war on coal, which is exactly what the Obama EPA initiated in 2012. The EPA even admitted at the time that the mercury reduction benefits were a mere \$4 to \$6 million annually, compared to \$9.6 billion in costs. The 2024 rule tightening the 2012 requirements was even less justified, and in fact EPA declined to quantify any benefits from reducing mercury emissions.

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- [EPA repeals another costly rule targeting affordable and reliable coal](#) (Ben Lieberman, OpenMarket)

5) The Problem of Power Scarcity

According to a Department of Energy [report](#), 104 gigawatts (GW) of firm power capacity are set to retire by 2030. At the same time, [demand growth](#) by 2030 is projected to be between 35 and 108 GW. The delta between retiring capacity and new demand will require new reliable capacity to fill the gap

Ideally, the permitting and policy ecosystem would favor the swift construction of new reliable power plants and the supply chains for building these plants would still be intact. In this hypothetical world new power demand from data centers would be an opportunity to generate electricity to solve complex problems and generate economic productivity.

But, on our broken power grid, where it is incredibly difficult to build new power plants, and the supply chain to build those power plants has broken down, this opportunity becomes a challenge.

The priority should be the formulation of policy that turns that challenge back into an opportunity.

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- [CEI's Paige Lambermont testified this week before the House Science Subcommittee on policies driving U.S. AI growth](#) (Paige Lambermont, Congressional Testimony)

FEATURING OUR FRIENDS

[There They Go Again: Senate Budget Committee Democrats Recycle Misleading Talking Points on Energy Subsidies](#), Tom Pyle, Institute for Energy Research.

[Cuba Becomes The First Country To Reach Net Zero. Shouldn't We Be Celebrating?](#), Francis Menton, Manhattan Contrarian.

[Nuclear Energy Benefits American Families](#), Ted Ellis, America First Policy Institute.

[Florida Is Leading The Next Nuclear Revolution](#), Mark Miller and Josh Smith, Pacific Legal Foundation.

Who Actually Wrote the Climate Manual for Federal Judges, Roger Pielke Jr.,
American Enterprise Institute.

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