



The **IMPACT** of the Copenhagen Accord

The United Nations Climate Summit took place December 7-18, 2009, in Copenhagen, Denmark. The Summit was the forum for nations to create a global response to climate change and negotiate a new greenhouse gas emission GHG reduction agreement to replace the soon expiring Kyoto Protocol.

The expectations leading up to the Climate Summit were continually lowered as the U.S. Congress has yet to pass climate change legislation and other major contributors of greenhouse gas emissions hedged on their commitments to set binding emissions targets.

The Summit culminated with the Copenhagen Accord which, among other commitments, set a mitigation target to limit warming to no more than 2 degrees and establish a fund of \$30 billion in climate aid by 2012 to developing nations and progressively more aid in future years. The Accord fell short of the anticipated specific binding emissions targets from the major emitters of greenhouse gases. However, the lack of clear emissions reduction targets is not seen as a complete failure. The Accord is another step in the direction of international action toward climate change policy.

It is unclear what impact the Copenhagen Accord will have on the U.S. Senate, which has yet to debate the climate bill passed by the House last summer. Some analysts have opined that since the EPA has moved ahead with regulation of greenhouse gases under the Clean Air Act, Congress will be less likely to act on a highly controversial climate bill, especially in light of the polarizing healthcare debate, and mid-term congressional elections. Others predict that the



Accord will motivate the Senate to move on climate legislation since it puts additional pressure on China, India, Brazil, and South Africa to move toward emissions reductions and mitigation efforts. The aforementioned countries and the U.S. were the lead drafters of the Accord.

Lawmakers and public policy are clearly moving toward regulating greenhouse gases, though the timeframe and extent of regulation will continue to be vigorously negotiated and debated.

Additionally, multinational corporations will be subject to the emerging regulatory infrastructure resulting from the Copenhagen Accord and other regulatory regimes from countries that are unsatisfied with the results of the Accord. To be ahead of mandated action by regulators and public pressure, businesses should thoroughly evaluate their regulatory risk position and create sustainability action strategies and carbon reduction plans where appropriate.

Call us if you'd like some help wading through the complex, and often ambiguous, emerging environmental regulations from different state, regional, and international regulatory programs.

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