

## **POINT CARBON**

### **Inaction is most costly US climate change policy: study**

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Taking no action to mitigate the impact of climate change is the US' most expensive climate change policy option, according to a new university study released today whose results resembles those of last year's Stern Review.

Adopting a national policy to cut greenhouse gas emissions will reduce the overall cost of climate change to the US economy, according to a study by the University of Maryland's Center for Integrative Environmental Research.

Like the Stern Report released in 2006, the University of Maryland research aims to assess the "cost of inaction" of climate change.

Although it does not put an exact price tag on failure to act, it concludes that "the true economic impact of climate change is fraught with 'hidden' costs," which it says vary across regions and sectors.

Under current conditions, the cumulative financial impact of storms on the US since 1980 has surpassed \$560 billion (€393 billion), the report cites. It says that the price tag will increase as climate change makes these storms more intense and frequent. The report also stresses that the current methods used by economists to measure climate change do not adequately address the question of inaction.

"We've connected the dots as far as the data would allow," said lead researcher Matthias Ruth. "Next, we will need to carry out sector- and region-specific research using new methodology. The traditional, narrow micro-economic approach used in current studies is simply not suited to this task."

The new approach would require Congressional oversight and could be used to "help to inform policy and investment decision making." It should engage multiple federal agencies, universities and national laboratories, according to the report.

"Because improved understanding of climate impacts, and the costs and benefits of these impacts, is in the national interest, the federal government should organize and finance a set of region- and sector-specific studies that help guide climate policy and investment, using appropriate methodologies," the report recommends.

The report acknowledges that while some regions, like the mid-Atlantic states, may see some immediate benefit from the impact of climate change on agricultural output, the longer-term impacts on water supply are likely to be more costly.

Link to Study:

<http://www.cier.umd.edu//climateadaptation/>

**Submitted to the Action Team by: Jerry Karnas, Florida Climate Project Director**