



5 Minutes for Business

November 12, 2019

The Shortest Decade: Addressing the Coming Climate Crunch

The United Nations' Intergovernmental Panel on Climate Change has been unequivocal: without significant action to limit global warming to a 1.5 degrees, humans will increasingly suffer from the effects of extreme weather events, disease and the loss of habitable land.

The task before us is to halve the emissions of a world economy in one short decade. It will not be an easy feat; our carbon dependence is 200 years in the making. The world economy rests on hydrocarbon foundations laid down by successive industrial revolutions.

No path is clear, but it is clear there are no paths without leadership from government, civil society and Canadian businesses. Of the three, the latter is often thought to be laggards in addressing climate change. The truth is that businesses are driving the fight. We have supported a price on carbon since 2011, well before it became a political football in this year's election.

At our 2019 Annual General Meeting, delegates representing nearly a quarter of a million businesses, yet again put Canada's business community at the vanguard of Canada's climate policy development.

With nearly 90% of the support of delegates from across Canada, the chamber network voted for a more robust climate policy than what we have today. The resolution provides government with a blueprint to rework its approach so that our climate policy achieves the greater emission reductions while preserving Canada's economic competitiveness. The resolution refined the

Canadian Chamber's position on carbon pricing, advocating for a carbon pricing mechanism that is explicit in its price signal, revenue neutral, and accompanied by reductions in other costs to businesses. [This is exactly what 95% of a surveyed group of leading economists recently described as the ideal approach.](#)

We emphasize that small- to medium-sized businesses receive funds proportional to their exposure to the carbon fuel surcharge so they can reduce their emissions. Our proposal recommends that firm level revenue recycling should be adopted to ensure revenues raised through carbon pricing are effectively harnessed by businesses to reduce their exposure to the tax, precisely how a behavioral tax should work.

The resolution also aims to stack this price signal with other positive incentives to action, such as greening Canada's tax system. We call for the federal government to further incentivize uptake of energy efficiency solutions and green technologies that will reduce emissions and carry the added benefits of reducing overall costs to firms and consumers. We have also suggested that firms making investments in emission reducing technologies should be eligible for greater tax relief on weather and climate-related insurance premiums. In addition, the resolution also highlights the need for more investment in climate resilient infrastructure to protect businesses and Canadians.

This new resolution is part of a broader suite of public policy at the Canadian Chamber. In



particular, we continue to exert leadership on policy formation for grid decarbonisation in Canada and initiatives to develop public policy to support circular business models. We also continue to advocate for a strategic and realistic energy policy that is supported by green technologies across resource and industrial sectors.

All of this is economically underpinned by the vital importance of projects like TMX and international consensus on Article Six.

Canada simply cannot achieve its climate goals unless the government can successfully establish the investment environment that will allow Canada's business community to offset emissions elsewhere through energy products. Similarly, there is no path forward without our ability to scale existing clean technologies in order to decouple energy from emissions in key economic activities and sectors both here and abroad.

We have one short decade ahead of us to halve emissions. Canada's business community will be a driver in effective and responsible climate action. We hope our policy makers will be able to say the same.

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