

## FAQ: Open Letter from Businesses to the Canadian Government

### Why is a rising carbon price important?

Investing in energy efficiency and clean energy often has significant upfront costs, so these investments only make financial sense with a long-term rising carbon price. That's why we are proposing a commitment to 12 years of rising carbon prices, not just five.

Many Canadian clean technologies we know of today were developed and tested in Canada only to be brought to market in other countries because those governments had national energy policies encouraging the adoption of clean energy. Even if your company is not involved in clean tech, you will likely use these innovations to help improve your bottom line.

### Why is it important to have an economy-wide fee?

It is unfair to exempt some industries from carbon pricing. By applying the carbon price at the well, mine, or point of entry into the country, the majority of the economy would be covered. Instead of exempting carbon intensive industries, under our proposal they would be encouraged to innovate to reduce emissions and helped by border tax adjustments.

### What are border tax adjustments (BTAs)?

BTAs are a levy on all imports from countries that do not price carbon similarly. They also provide a carbon fee rebate for goods exported to jurisdictions without a carbon tax. These adjustments will prevent "leakage" and ensure that no Canadian company has an incentive to move production to a country that allows them to pollute more at lower cost. BTAs will level the playing field and are [World Trade Organization compliant](#).

### Will this be good for my business and the economy?

Transitioning to clean energy from fossil fuels would be a boon for the clean tech sector and innovation. [For every \\$1 million invested, clean energy](#) (energy efficiency and renewable energy) creates 17 jobs, compared to only five in the fossil fuel sector.

Provided taxpayers are not unduly burdened, consumers will be more willing to invest in energy efficiency if there is long term certainty about rising fossil fuel prices. Businesses will accelerate investments in solutions like training, technology, retrofitting, and improved processes. All this will drive down the costs of clean technologies, making it more affordable.

Right now there is little incentive to shift from fossil fuels even though we know they cause harm. Fossil fuels are so cheap because their price does not reflect their true cost in

environmental, social, and economic damages. A rising comprehensive carbon fee would take care of that.

### How does CO<sub>2</sub> pollution affect my business?

CO<sub>2</sub> pollution can put entire communities at risk, including businesses. Floods and wildfires and other extreme events have impacted business sectors in Calgary, Montreal, Toronto, and Fort McMurray to name a few. Rising sea levels will also impact businesses in low lying coastal areas, as well as shipping at ports. Burning of fossil fuels – which are one of the primary drivers of climate change – can impact the health of employees and their families due to respiratory illnesses such as asthma.

### What is Citizens' Climate Lobby?

Citizens' Climate Lobby (CCL) Canada is a non-profit, non-partisan, grassroots advocacy organization with a twin focus: to create the political will for a livable planet and to empower people to claim their political and personal power.

### When will the open letter be submitted and how?

The letter will be presented to key Ministers and Members of Parliament in late October when CCL Canada holds its annual national conference and lobbying days. Those who sign are listed on the [CCL webpage for the letter](#) with hyperlinks showing your business as one that is actively addressing climate change. The letter will also be distributed via social and mainstream media.

### Do open letters make a difference?

Members of Parliament have asked that we show support from the business community. We have been told that open letters from businesses, as well as other sectors, have been very influential in the past.

### What does signing this letter mean?

You are not committing your business to any actions. You are simply supporting the concepts described in the letter: the need for long term certainty of carbon pricing, fairness across sectors, and protection at the borders from imports that do not have a carbon price assessed. Your business will be highlighted as forward thinking, with a link to your website.

Millennials are particularly concerned about climate change, and promoting your business to that demographic may help attract clients as well as talent to your organization.