



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-01049**

BY: **MR. ERSKINE-SMITH (BEACHES-EAST YORK)**

DATE: **DECEMBER 12, 2016**

PRINT NAME OF SIGNATORY: **THE HONOURABLE BILL MORNEAU**

Response by the Minister of Finance

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Protection of the environment

ORIGINAL TEXT

REPLY

At the First Ministers' Meeting on December 9, 2016, most provinces and territories agreed to implement the Pan-Canadian Framework on Clean Growth and Climate Change. The Framework includes a pan-Canadian approach to pricing carbon pollution, such that carbon pricing will be implemented across the country by 2018.

With respect to the suggestion to implement carbon fee-and-dividend on a nationwide basis and integrating with provincial carbon pricing systems, under the Pan-Canadian Framework, provinces and territories have the flexibility to choose between two systems: a direct price on carbon pollution or a cap-and-trade system. British Columbia, Alberta, Ontario and Quebec, representing over 80 per cent of the population, have already implemented or have introduced legislation to implement carbon pricing.

The federal government will introduce a backstop pricing system that will apply in jurisdictions that do not meet the national carbon pricing benchmark.

The revenues from carbon pricing will remain in the province or territory where they originate. Each jurisdiction can use carbon pricing revenues according to their needs, including to address impacts on vulnerable populations and sectors and to support climate change and clean growth goals.

An overview of the analysis of the environmental and economic impacts of the Pan-Canadian Framework can be accessed on the Canada.ca website at the following address:

<https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/economic-analysis.html>.