



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Environment and Sustainable Development

ENVI • NUMBER 124 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, October 16, 2018

—
Chair

Mr. John Aldag

Standing Committee on Environment and Sustainable Development

Tuesday, October 16, 2018

• (1535)

[English]

The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)): I call the meeting to order.

Good afternoon, everyone. It's a special day, with a lot of new faces at the table today.

Before we get started, I would just like to acknowledge MaryAnn Mihychuk, whom we have on the Liberal side, and Pierre Breton. Welcome to the committee.

Leona, welcome. I don't know if you've had a chance to participate on the environment committee before, so it's good to see you here.

Shannon Stubbs will be joining us.

Today we're starting a study on international leadership. This flows from the pan-Canadian framework on climate change. Last spring our committee decided that we would do a number of short studies, usually about six hearings. For this particular study coming from the pan-Canadian framework, we had determined on February 1 that we would agree to study Canada's international leadership as part of our study on clean growth and climate change in Canada. There are really three pieces that flow from the framework.

The first is delivering on Canada's international climate financial commitments. In this, Canada committed \$2.65 billion by 2020 to help the poorest and most vulnerable countries mitigate and adapt to the adverse effects of climate change.

Second, we're looking at acquiring internationally transferred mitigation outcomes. The Paris Agreement had allowed for mitigation outcomes to be transferred between countries, but the mechanisms had not been fully developed, so Canada's first priority was ensuring that any cross-border transfer of mitigation outcomes should be based on rigorous accounting rules to be developed with input from experts.

Finally, engaging in trade and climate policy with our international partners was the third aspect. In that, we talked about how Canada has raised trade and climate policy issues in international forums and is positioning the country as a global leader on clean energy and innovation, as well as aiming to support business opportunities for Canadian clean energy companies.

That was the basis for the six sessions that we have coming up, including today.

With us today we have Environment and Climate Change Canada and Global Affairs Canada. Each department will be given 10 minutes for introductory comments, and then we'll get into our usual questions and answers.

I know many of the department officials have been here before, so I am going to use the yellow cards. When you get to one minute left in your presentation, I will show the yellow card. When you are out of time, I will show the red card and you should just try to wrap up as quickly as possible.

For anyone who is new at the table, the same holds true for you. When you get the red card, wind it up and we'll move on to the next person so that everybody gets a chance to participate in today's dialogue.

With that, we will go to Environment and Climate Change Canada's Isabelle Bérard. Would you like to start?

[Translation]

Ms. Isabelle Bérard (Assistant Deputy Minister, International Affairs Branch, Department of the Environment): Thank you, Mr. Chair.

I am pleased to be here today to speak about Canada's climate leadership on the international stage.

My name is Isabelle Bérard and I am the assistant deputy minister of the international affairs branch at Environment and Climate Change Canada, or ECCC.

I am joined today by colleagues from my department: Matt Jones, Assistant Deputy Minister of the Pan-Canadian Framework Implementation Office; Catherine Steward, Canada's Chief Negotiator for Climate Change and Director General for Multilateral Affairs and Climate Change; Lucie Desforges, Director General of Bilateral Affairs and Trade Directorate; and Erin Silsbe, Acting Director, G7 Task Team. I am also joined by my colleague from Global Affairs Canada, Anar Mamdani, Director of Environment.

I would like to begin with an overview of ECCC's international engagement. I will then turn to my colleague from Global Affairs Canada who will describe her department's activities on climate change from the broader development assistance perspective.

• (1540)

[English]

When it comes to international engagement, the United Nations Framework Convention on Climate Change, UNFCCC, is the primary forum for advancing global climate action. I'm very pleased to note that Canada is a key player in this arena. There is a lot of growing momentum, by all actors, on climate change. The growth in size and scope of the UN climate change conference, or COP, is a clear reflection of this reality.

Under the UNFCCC, the Paris Agreement, adopted in 2015, establishes global climate goals, including to limit the increase in global temperatures to well below 2°C and to pursue efforts to limit the temperature increase to 1.5°C.

Canada is a strong advocate of the Paris Agreement because it has obligations for all parties. Under the UNFCCC, what we are doing now is negotiating the implementation guidelines for the agreement, often referred to as the Paris rule book. In general, these guidelines will set out how each party will communicate its plans and actions to address climate change, how it will measure and report transparently on progress and how this information will be used to measure global progress.

The robust and effective implementation of the Paris Agreement is a top priority for Canada. We know that the adoption of common and robust guidelines for all countries will promote ambitious, credible and transparent climate action.

The Paris Agreement also offers the possibility to co-operate with other countries using market-based measures. Markets can help increase mitigation ambition and provide the incentive for public and private investment to achieve the necessary shift toward low-carbon pathways.

Last, if we are to successfully implement the Paris Agreement, we know that we need to continue to deliver on climate finance. As you may know, Canada is delivering \$2.65 billion over five years to help developing countries transition to low-carbon, sustainable and resilient growth. Canada has already announced over \$1.2 billion of this commitment, providing direction and stability to developing country partners. I will leave it to Anar Mamdani to provide further details on this commitment.

[Translation]

We believe fundamentally that the Paris Agreement will help drive global ambition on climate change. But there are other ways that Canada is providing global leadership on this front.

For example, on the margins of COP23 last year, Canada and the United Kingdom launched the Powering Past Coal Alliance, which is a voluntary coalition of governments, businesses and organizations that are helping to end the use of unabated coal power around the world. The Alliance continues to grow, with 74 members now who recognize the value of this initiative.

Canada has also demonstrated global leadership this past year through the G7 presidency. Just this past September, Minister McKenna hosted the G7 environment ministers' meeting and co-hosted the G7 joint ministerial session on climate change, oceans and clean energy.

We had good exchanges among G7 ministers and representatives of business and civil society on several important issues related to environment, oceans and energy. For example, we saw a number of countries, such as Jamaica and Norway, as well as major multinational businesses, such as Unilever and Volvo, make important commitments to reduce plastic pollution by supporting the Oceans Plastics Charter announced at the Charlevoix G7 Summit. G7 members also came together to establish a G7 Innovation Challenge to address marine plastic litter.

I would like to highlight a few more international initiatives that my branch has helped to further this past year.

For one, Canada, along with China and the European Union, launched the ministerial on climate action, and has co-hosted two meetings among ministers to identify common ground towards adopting the Paris "Rulebook".

[English]

Last May, Minister McKenna also hosted the "Climate Leaders' Summit: Women Kicking It on Climate", which brought together high-level women influencers from all sectors to develop climate change solutions that contribute to gender equality and the empowerment of women.

My branch also does a lot of work to advance our bilateral relationships around the world. ECCC works in close collaboration with several countries to advance Canada's international climate change and environmental protection agenda.

For example, in North America, Canada undertakes co-operative work with the United States and Mexico under the Commission for Environmental Cooperation, the CEC, which is a trilateral organization that has facilitated environmental work since 1994. Under the CEC, parties are committed to continuing this existing co-operation as part of a new environmental co-operation agreement that is being negotiated.

In November 2017, Canada joined with like-minded U.S. states and Mexico to create the North American climate leadership dialogue, committing to work co-operatively on clean transportation, vehicle efficiency, and clean power, and on reducing short-lived climate pollutants. In September 2018, a new statement was endorsed in San Francisco.

• (1545)

Another key partner that we have been working with is China. During Prime Minister Trudeau's visit to China in December 2017, he and his Chinese counterpart issued a joint leaders' statement on climate change and clean growth. This statement establishes the new ministerial dialogues on climate change, environment and energy and recognizes the leading role that Canada plays in the China Council for International Cooperation on Environment and Development, CCICED, for which Minister McKenna is the international executive vice-chair.

We also have considerable engagement with Europe. Canada and the EU have strong bilateral relations on the environment and climate change. On May 24, Canada hosted the Canada-EU high-level dialogue on climate change to share expertise on climate change issues and negotiations.

On April 16, 2018, the France-Canada climate and environment partnership was signed in the presence of Prime Minister Trudeau and President Macron. The partnership includes nine areas of cooperation.

Canada is also working with the U.K. on issues such as climate change adaptation, carbon pricing and phasing out traditional coal under the Canada-U.K. partnership, which was announced by Prime Minister Trudeau and Prime Minister May in September 2017.

[Translation]

ECCC also works closely with Global Affairs Canada to advance Canada's trade and environment objectives which are based on the principle that trade and environment are mutually supportive. A prime example is the new United States-Mexico-Canada Agreement (USMCA).

The USMCA incorporates the most ambitious environment commitments Canada has ever included in a trade agreement. It integrates substantive environmental provisions into an environment chapter, subject to dispute resolution, which aims to level the playing field by ensuring parties do not lower their levels of protection to attract trade or investment.

This chapter also includes new commitments to address a range of global environmental issues, such as illegal wildlife trade, sustainable fisheries and forestry management, species at risk, conservation of biological diversity, air quality and marine litter.

To conclude, I would note again that Canada's significant engagement on climate change on the international scene is designed to build trust and capacity among parties for progress on climate goals, to ensure that leading emitters—developed and developing countries—are accountable, and to create conditions for innovation and clean growth for all.

Thank you for your time.

I would now like to turn to my colleague from Global Affairs Canada.

[English]

The Chair: Thank you.

Anar Mamdani, you have 10 minutes as well.

Ms. Anar Mamdani (Director, Environment, Department of Foreign Affairs, Trade and Development): Thank you, Mr. Chair. I am pleased to be here to speak about the approach of Global Affairs Canada on climate change, focusing on our ongoing support to developing countries.

Canada is helping to lead global efforts to support a low-carbon, sustainable and climate-resilient future for all and is delivering on its pledge to provide \$2.65 billion by 2020 to assist developing countries most vulnerable to climate change.

Canada's climate finance is contributing to the ambitious global effort to reduce greenhouse gas emissions while placing a strong emphasis on support for the most vulnerable people, communities and countries, including small island developing states.

Our climate financing is aligned with Canada's feminist international assistance policy, which places women and girls at the heart of our efforts. Women and girls are disproportionately affected by climate change. Moreover, their important roles as entrepreneurs, farmers and household decision-makers mean that their voices and experiences are needed to contribute to climate change solutions.

However, according to the OECD development assistance committee, in 2014 gender equality dimensions were integrated in only 31% of bilateral climate official development assistance from all donors. To address this gap, Canada's feminist approach to environment and climate action is focusing on supporting women's leadership and decision-making; ensuring that climate-related planning, policy-making and financing address the particular challenges of women and girls; and, supporting employment and business opportunities for women in the renewable energy sector.

One example of the work that we are doing is in the area of increasing the access of women and girls to clean energy, which can create economic opportunities while reducing greenhouse gas emissions. For example, Canada is investing \$20 million over five years to improve access to clean cookstoves in Haiti, thereby reducing health problems associated with indoor air pollution while opening new business lines for firms in product design, production and marketing.

In terms of delivering on our climate finance commitment, to date more than \$1.2 billion in funding has been announced as part of Canada's \$2.65-billion climate finance commitment. These initiatives are the result of joint efforts involving both Environment and Climate Change Canada and Global Affairs Canada.

While the majority of our climate finance is channelled through multilateral partnerships, a significant portion is also delivered bilaterally. Canada's bilateral funding has emphasized support for developing countries to adapt to the challenges of climate change. The funding has supported priorities such as clean technology, climate-smart agriculture, sustainable forestry, watershed management and climate resilience. Our bilateral climate finance has already supported 20 projects in climate-vulnerable areas in the Caribbean, Africa and Asia-Pacific, totalling \$137 million over five years.

Women's livelihoods in climate-smart agriculture are being supported, for example, through a \$3-million project in Ghana, which aims to increase food security and nutrition for families. The project provides financial and technical training to women farmers to increase agricultural production, strengthen links to markets and diversify food production.

Canada also recognizes that small island developing states have particular vulnerabilities in the face of climate change. To help address the challenges of Caribbean states in the face of catastrophic climate events, Canada is providing \$25 million to the innovative Caribbean Catastrophe Risk Insurance Facility. The facility provides quick liquidity to countries to enable restoration of critical infrastructure and address humanitarian needs. Following the severe Atlantic hurricanes in late 2017, this facility provided payouts of \$50 million to nine significantly affected states. At the G7 leaders' summit on June 9, Canada announced that it will invest a further \$162 million to support coastal resilience in climate-vulnerable countries, including small island developing states.

Canada's contributions through multilateral mechanisms help to address common challenges faced by climate vulnerable countries and enhance their resilience. Canada has contributed \$30 million to the Least Developed Countries Fund, which supports the world's 51 most vulnerable countries, including Afghanistan, Nepal, Senegal and Tanzania, in their efforts to adapt to the effects of climate change. This support has directly helped to improve the lives of over 4.4 million people and bring over 1.5 million hectares of land under more climate-smart management.

• (1550)

Canada has pledged \$300 million to the Green Climate Fund, which was established as the financing mechanism for the United Nations Framework Convention on Climate Change to address both adaptation and mitigation needs.

The estimates for the financing required to tackle climate change run into the trillions, and this cannot be met by the public sector alone. Public sector climate finance can help leverage the private sector to advance innovative and viable climate solutions. That is why Canada will be providing \$1.8 billion of our climate finance through repayable contributions, including through dedicated private sector facilities at multilateral development banks.

This funding incentivizes the private sector to do business in a way that contributes to a low-carbon future. Canada has been a pioneer in this regard. We were the first donor to establish dedicated climate finance funds at the International Finance Corporation, the Inter-American Development Bank and the Asian Development Bank. These investments have been pivotal in helping to catalyze private sector investments in renewable energy and private-sector-

led climate mitigation and adaptation projects in developing countries.

Thank you, Mr. Chair, for this opportunity to present this overview of Global Affairs Canada's approach and key achievements on climate change to date.

• (1555)

The Chair: Thank you to both of the departments for their opening comments.

Committee members, we were originally going to have the full time with departments today. Mr. Stetski has an organization from his home area that is in town today only, and they had asked if they could appear in person instead of being brought in by teleconference or something else down the road. I did reach out to Mr. Lake, but unfortunately we didn't connect, so I made the decision to change the schedule.

We have about 90 minutes for the departments and then 30 minutes for the other witnesses. We started a few minutes late, so we'll see just how we get through the round of questions, but I'll try to compress everything into the meeting that we have today. That's how we got to the two panels today when it was originally going to be just the departments. I just wanted to give that as a word of explanation.

With that, Mr. Amos, you have the first round of questioning, for six minutes.

Mr. William Amos (Pontiac, Lib.): Thank you, Mr. Chair.

Thank you to our hard-working civil servants for bringing this before us. It's an important discussion, and I think that too often this aspect of the climate issue gets overshadowed by the job-killing carbon tax on everything under the sun.

I'm really appreciative that we're going to get to discuss matters of substance. I have a few questions, and I may ask that you provide written responses if we can't get to all of them.

I'll start with a couple, and then I have three more to go.

To what degree, if any, does our investment in the Asian Development Bank come with any strings attached, such that we can give confidence to Canadians that it will enable investment that is going to get us towards our international climate objectives?

My second question is this: To what extent—and this is probably more for Environment and Climate Change Canada—is the domestic approach that we are bringing forward in relation to establishing a price on carbon pollution relevant and important in relation to our international leadership?

I'll leave those two questions out there now, and I'll come back with a few more afterward.

Ms. Anar Mamdani: In terms of how our investment in the Asian Development Bank is enabling us to get to our climate objectives, I would say that all of our investments in the multilateral banks are made with the objective of reducing greenhouse gas emissions. Those are the strings that are attached, if you like. We set out agreements with these multilateral development banks to ensure that we are achieving the objectives that we are trying to achieve with them.

I would just say that with regard to the multilateral development banks, a lot of our support is being used to ensure that we help to remove the barriers to private investment for climate action. We are using the facilities that we've developed with these banks to be able to move in that direction.

Ms. Isabelle Bérard: I might add on this one, as well, that we're sitting on the boards of all of these multilateral organizations, so we do have an influence on how the organizations program and deliver their business.

On your second question, we'll start with Catherine from the international angle, and then go to Matt for the domestic.

• (1600)

Ms. Catherine Stewart (Director General, Climate Change International and Chief Negotiator for Climate Change, Department of the Environment): Thanks.

From an international perspective, what we're doing in Canada on carbon pricing is of great interest internationally.

We are part of a lot of different carbon market forums where we are asked to come and speak and talk about the Canadian experience, but there are also different forums where we go to share experiences and lessons learned from others. For example, recently I co-chaired a carbon markets platform in Halifax with Germany, where we brought together other governments, subnational governments, businesses, think tanks, academics and other interested parties that were interested in talking about carbon pricing and different pricing policies, as well as carbon markets. There is a huge interest in what we're doing and also in the international community on carbon pricing and carbon markets writ large.

From a negotiating perspective, parties recognize that there's a value to carbon markets and international emissions trading as a way of accelerating GHG emission reductions. That's why we have article 6 of the Paris Agreement. That's what I'm working on as chief negotiator for climate change, to ensure we have rules under the Paris Agreement that ensure real and verifiable emissions reductions so that we're not double counting. For example, if two parties are engaged in emissions trading and one person wants to claim the offsets, the other party shouldn't be claiming those offsets as well.

As an example, a lot of what we're doing under our negotiating on the rule books on article 6 is to ensure that double counting isn't there, as well as to ensure we have a system of carbon markets trading that is credible and transparent and that we all understand. This is very important work that we're doing right now in our Paris Agreement negotiations on the work program.

My role is to ensure that we get the guidelines that will enable Canada to conduct emissions trading and recognize current activities that are already under way in Canada. Carbon markets are part of the ambition cycle of the Paris Agreement. Businesses, as an example, are very interested in carbon markets and are very keen to showcase what they're doing to advance clean technology and innovation.

Mr. William Amos: Thank you.

Because I don't think there's a lot of time left for Mr. Jones to respond, I ask that he provide a response in writing. I'm going to put three quick questions on the record so that written responses can be provided.

First, to what extent does our work with the Arctic Council speak to the objectives of the study?

Second, to what extent is the work we're doing in relation to France's proposed global environment pact relevant to this study?

Third, I note that Canada has ongoing negotiations with the U.S. and Mexico about a parallel environmental co-operation agreement. How does that discussion impact this study?

Thank you for providing written responses on those questions.

The Chair: Thank you.

We'll go over to you, Ms. Alleslev.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, CPC): Thank you very much.

Ms. Bérard, my question is for you. You stated that we're focused on our international climate change and environmental protection agenda. One of those pillars is around vehicle efficiency, clean power and reducing climate pollutants, yet in 2015 we had a Volkswagen emission cheating scandal right here in Canada, when a device that defeated the emissions standards, allowing for 35 times higher emissions than the standards, was on cars sold in Canada and 11 million cars worldwide. This kind of pollution is 700 times more potent than others. We can attribute a significant number of deaths to it.

It's been three years. Could you give us any indication as to when and if charges will be laid against Volkswagen for this infraction?

Ms. Isabelle Bérard: Thank you very much for your question. I'm afraid I'm not the person responsible for this file. I'm very much dealing with our international partners. There are definitely people within ECCC who are looking into that question. I'm sure they would be more than happy to provide you with—

•(1605)

Ms. Leona Alleslev: It's interesting, though, because \$2.4 billion has been fined in settlements for only 125,000 of those cars that have been sold worldwide, and we're looking at investing \$2.6 billion in this climate financing around the world, yet we're not generating any revenue by enforcing our own regulations at home.

I'm wondering if it affects in any way our credibility on the international stage to claim that we are leading in this area when we don't have the ability financially or legislatively—or the enforcement, in terms of regulation—to be able to lead in that regard. Could you comment?

Ms. Isabelle Bérard: Again, on the issue of enforcement, we will have to have people who have worked on the file respond to you very specifically. The issue of climate finance and what is happening domestically are of course two separate issues—

Ms. Leona Alleslev: Oh, but it's still out of Canadian taxpayer money—

Ms. Isabelle Bérard: Yes, it is.

Ms. Leona Alleslev: —so we do have a responsibility to enforce our own regulations. Would you agree?

Ms. Isabelle Bérard: Absolutely.

Ms. Leona Alleslev: Does it speak to our credibility internationally—

Ms. Isabelle Bérard: I was getting to the credibility issue.

Ms. Leona Alleslev: —to be able to police our own regulatory structure?

Ms. Isabelle Bérard: Definitely, on the credibility issue, in Canada, in terms of climate financing, as Anar has explained, we are providing support to the most vulnerable countries on issues related to mitigation and to adaptation as well. We do have quite a lot of things to show for.... You are raising an issue related to enforcement, so this is being tackled—

Ms. Leona Alleslev: So—

Ms. Isabelle Bérard: —but on the international front, definitely Canada has credibility on a number of fronts, because we do have—

Ms. Leona Alleslev: Okay, but part of the Paris rule book is around measuring and reporting transparently on that progress. How are we measuring and ensuring that our current environmental regulations are being enforced, and, therefore, that the claims we're making around our environmental capability are actually what we're delivering because we know that our industries are achieving what they say they're achieving?

Ms. Isabelle Bérard: I will let Catherine speak to the issue of the rule book, because we're right in the middle of negotiating this.

Catherine, I don't know to what extent you want to reinforce that.

Ms. Catherine Stewart: Sure. I'm very happy to speak to the rule book.

There was a debate in the House around the time that Canada ratified the Paris Agreement. A lot of parties spoke out in favour of the Paris Agreement. It's important to be reminded of the objectives that we have all agreed to in the Paris Agreement—

Ms. Leona Alleslev: But we're talking about measuring—

Ms. Catherine Stewart: —and that is mitigation to meet mitigation targets. That is also to help in adaptation and build resilience, and also to provide finance to help developing countries that need it in order to drive climate action.

Ms. Leona Alleslev: That doesn't speak to actually holding our polluters, both government and industrial, to account on the regulations and laws that we currently have in place.

We had \$2.47 million in fines levied over a 22-year period in Canada; that's in comparison with the \$3.65 million that was levied by the Toronto Public Library in 2012. If we look at the Americans, of course, they have levied over \$248 million in one year, in 2012.

There are financial implications, but it also I think speaks to the fact that we're not addressing whether or not our own country is meeting our own commitments at home. How are we measuring and reporting that to our international partners as well as our partners here at home?

Ms. Catherine Stewart: Yes, and I would like to be able to respond to that, because a lot of the negotiations that we are undergoing right now are all about accountability, transparency and reporting on our plans and actions and intentions on how we're going to address GHG emissions—

Ms. Leona Alleslev: Shouldn't we already have these metrics in place?

Ms. Catherine Stewart: We already do produce what's called the “National Communication” in a biennial report. The last one was submitted to the UNFCCC in January 2018. That outlines very clearly how Canada is working to meet its targets.

Ms. Leona Alleslev: It doesn't say how we're measuring Paris.

Ms. Catherine Stewart: What we're trying to do under Paris—

Ms. Leona Alleslev: Thank you.

Ms. Catherine Stewart: —is to ensure that all other parties are doing the same thing. Canada has a reputation for being very open and transparent in our reporting, and very detailed. I think that under the Paris Agreement what we want to ensure is that other parties are doing the same thing so we can trust each other.

•(1610)

The Chair: Thank you.

Go ahead, Mr. Stetski.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Thank you.

Thank you for being here.

As a former public servant, I'm always interested in the interplay between science and politics, but I'm just going to stick with science today.

We heard the report about a week ago concerning the need for Canada to do twice as much, twice as fast to actually have a true impact on climate change and temperature. I'm just curious about what twice as much, twice as fast might look like, if any of you would like to jump in on that, without getting into the politics of it. What would Canada have to do to do twice as much, twice as fast?

Mr. Matt Jones (Assistant Deputy Minister, Pan-Canadian Framework Implementation Office, Department of the Environment): It's a good question, and there are a lot of different scenarios. In terms of our approach to emission reductions, we've really been looking at this as a sort of stepwise, sequential process. We're very much aware that achieving our Paris targets is only a step in the process, and it's not like we can declare victory after that step, because as the IPCC reminded us recently, and as we have known for a very long time, the total global reductions needed are far beyond those that are being contemplated at the moment.

The Paris Agreement requires a ratcheting down of targets in a regular cycle, and we have begun the process of looking beyond our current implementation of the pan-Canadian framework and our current target. We had, a little over a year ago, a sort of visioning document that looked at various scenarios that would get us to deep reductions, but there are a lot of different options for getting there.

Right now we're quite focused on implementing the suite of policies that will get us to the first target, and we'll be thinking in a much more concrete way about what comes next once we have our policies implemented. It would require a lot of electrification, certainly, as an energy source. GHG-free electricity and electrified motors and pumps would certainly have to be key components of it, but there are an infinite number of combinations of policy tools and emission sources and emission-reduction opportunities that would need to be carefully analyzed and thought through to develop further policies beyond those we have now.

Mr. Wayne Stetski: One of the things I'm certainly interested in, and I know that the committee is too, is best management practices around climate change when you look around the world. I'm interested in your perspective, again putting Canada aside, because we're not here to comment politically on where we should be or not.

When you look around the world, what countries do you think are potentially doing the best job to combat climate change, and what are they doing to reach those objectives? It would be good to hear from any of you.

Mr. Matt Jones: I'll go first, and others can certainly add.

I think there's a lot to be learned from a number of other countries. We have gone through the experiences. Part of the benefit of the UN reporting mechanism Catherine mentioned, the regular reports, is not just having GHG information but also understanding how other countries are grappling with the same sources and what policy tools they're using. Certainly countries that have applied a pricing mechanism have seen greater reductions—

Mr. Wayne Stetski: Sorry, but can you name some of those as we go along?

Mr. Matt Jones: Certainly in the European Union, they've had a trading system for quite some time, and that's been one key piece of their overall approach to pursuing emission reductions. We have seen quite significant reductions within the European Union, but in

other countries as well, a growing number, as I think this committee heard from my colleague John Moffet, and others, on this topic.

Pursuing fuel switching—countries have moved from coal to gas or from coal to hydro or other large-scale shifts in electricity generation—is generally considered an area of potentially low-hanging fruit. I know a Swiss colleague of mine used to complain that there are no emissions in chocolate or watches, and all their electricity is hydro, so it's very difficult to squeeze out emission reductions.

Mr. Wayne Stetski: Fair enough.

Mr. Matt Jones: Generally, transportation tends to be a little harder, because there are a large number of diffuse sources.

There are lots of good European examples. There are a lot of energy efficiency initiatives in a number of countries, particularly in Asia. Japan is a good example of a very resource-efficient economy that has pursued emission reductions through efficiency gains.

• (1615)

Ms. Lucie Desforges (Director General, Bilateral Affairs and Trade Directorate, Department of the Environment): I just wanted to mention that to capitalize on the strengths of other countries, as Isabelle was mentioning in her introduction, we have struck co-operation agreements with France and the U.K. The U.K., for example, has a lot more experience in adaptation and green finance, so we are pooling our resources and putting our heads together. It is the same on emission innovation. In research and development, we are co-operating with the U.K. in launching joint initiatives. Similarly, with China, because they are moving very fast, we are joining forces to share expertise and do projects together. We're making sure that this is also on a very solid framework as we go forward.

Ms. Catherine Stewart: I want to flag something very briefly.

Mr. Wayne Stetski: Yes.

Ms. Catherine Stewart: This is to flag for you something called the Talanoa dialogue, which the Fijian presidency of COP last year introduced.

This has been a year-long process whereby countries, non-parties, actors, or anybody can come forward and share experiences on what they're doing on climate action. The UNFCCC has a portal where people have put in submissions to emphasize what they're doing on climate action.

I want to emphasize that it's not just the major economies that are doing a lot here. Small island developing states, businesses, and indigenous peoples are doing a lot on climate change. The Talanoa dialogue is an opportunity to share those stories.

I just wanted to flag that.

Mr. Wayne Stetski: Could you just spell that for us? Is it actually —?

Ms. Catherine Stewart: Yes. It's a good word. It's a Fijian word that we all learned this year in the negotiations. It's spelled "Talanoa", and it means "sharing stories".

Mr. Wayne Stetski: Thank you.

Ms. Isabelle Bérard: Can I just add something?

I know we're not supposed to brag about Canada, but I want to say something about gender equality and women.

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Brag about Canada.

Ms. Isabelle Bérard: Mr. Stetski suggested that we speak to other countries, but we do have a lot of experience on that front, and we are quite advanced in terms of our reflection and what we're doing in that area. We are seen as leaders on that front.

The Chair: There will be other opportunities in the questions to brag more about what Canada is doing.

With that, we'll turn it over to Mr. Fisher. He's always good for a brag, especially an east coast brag.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you, Mr. Chair, for that.

Thank you, folks, for being here. I recognize your faces; it seems like you're here every second week.

Developing countries are feeling climate change much more than others. There's so much climate financing available, both private and public, to fund this clean technology effort. Hopefully we're seeing it as a tremendous opportunity. We've always seen climate change and environmental issues as a major issue, but we're really only starting to see the massive opportunities that it brings.

There has been 61 billion U.S. dollars in just the last four years for climate financing, and it's going to grow measurably with international obligations and commitments that are already on the table.

I think about Dartmouth—Cole Harbour, my riding in Nova Scotia, and I think about the burgeoning and flourishing clean-tech boom that's happening within the Burnside industrial park and the Woodside industrial park.

Are Canadian companies specifically benefiting from global climate financing opportunities? How might they benefit from our commitment to increased clean tech in developing countries, if they would?

Ms. Isabelle Bérard: Do you want to take that on?

Ms. Anar Mamdani: Sure. I'm happy to answer.

What I can tell you is that the financing we have provided to many of the multilateral development banks includes funds for the private sector. In the case of the International Finance Corporation, the Inter-American Investment Corporation and the Asian Development Bank, Canadian companies can access these funds. In order to facilitate that, cross-Canada road shows are being organized to raise

awareness among Canadian private sector companies about the opportunities available through these funds.

These road shows also offer an opportunity to raise awareness among the multilateral development banks about the capabilities and expertise of Canadian private sector companies in the renewable energy sector and others. For example, in early 2018 a road show was organized to promote Canada's fund with the Asian Development Bank to Canadian companies and help Canadian clean technology and renewable energy companies bring their cutting-edge solutions to Asia.

I would also note that in addition to that, Global Affairs Canada's trade commissioner service is investing in new resources for climate finance. Canadian firms and individuals can now access regionally focused trade commissioners in Washington, D.C.; London; Manila; and Abidjan to assist them in accessing business opportunities generated by climate finance.

These trade commissioners can assist and support Canadian firms in navigating procurement processes and private sector lending windows as well.

• (1620)

Ms. Isabelle Bérard: If I might add to what Anar has said, if companies want to go to the trade commissioner service—there's a website for this—there is a climate fund inventory database which contains more than 90 different climate funds. Companies can have access to what is being posted there by various funds.

I'm happy to provide the link, if you'd like.

Mr. Darren Fisher: With all that, and just to paraphrase and drill this down to a sentence or two, companies in Dartmouth—Cole Harbour will benefit from investments in clean tech within Canada. Will companies in Nova Scotia benefit from our investment and other international investment in other developing countries' clean-tech sectors?

Ms. Anar Mamdani: I think the point is that they could benefit—

Mr. Darren Fisher: They could.

Ms. Anar Mamdani: —and we are putting in place with our trade commissioners efforts to facilitate that, but it does require that they have to access it.

Mr. Darren Fisher: Got it.

Matt, would you comment?

Mr. Matt Jones: I have just one minor thing to add: there's also the Clean Growth Hub that I think we've talked to this committee about. Companies specifically told us that because there were so many different programs and initiatives and funds, both domestically and internationally, it would be great if there was a service that could help them navigate all of those things. There is an organization run by both ISED and NRCan that the Department of Global Affairs and our trade commission is linked into that also helps shepherd Canadian companies to the right funds and the right supports and services.

Mr. Darren Fisher: They're like a liaison, a connector.

Carbon leakage is a concern for any country that's taking reducing emissions seriously. I think we can remain competitive as a country while encouraging companies in Canada to reduce their emissions at the same time.

In the USMCA, we've negotiated the enforceable environmental chapter. A lot of people aren't talking about that. I don't think anybody realizes just how important that is. It's going to protect Canadian businesses and make sure that our trading partners can't gain an unfair advantage by not enforcing environmental laws. I want to stress that because it's not something I've seen in the press at all, and I think it's pretty important.

What other tools does Canada have in our tool chest to mitigate carbon leakage concerns?

Mr. Matt Jones: I'll cover the front end, and then others can add on the international initiatives and the various trade agreements and the provisions in them. Our view at Environment Canada, speaking on behalf of my colleagues in our regulatory branch, is that the best way to avoid carbon leakage is to design smart policies and to do the analysis necessary to ensure that we understand the competitiveness positions of Canadian companies. We're designing policies that allow for emission reductions to be achieved without impinging on the competitiveness of those companies.

The Chair: We'll go over to Mr. Warawa.

Mr. Mark Warawa (Langley—Aldergrove, CPC): Thank you, Chair. Thank you, witnesses.

I appreciate the testimony that we've heard so far. Of course, climate change is a major issue when we're dealing with pollution. One of my huge concerns is plastic pollution in our oceans. That is regularly discussed, but I think Leona brought up the very important issue of pollution and pollutants going into the air. Canadians are getting sick, or in some cases losing their lives, because of pollutants that are in the air we're breathing.

In the case of Volkswagen, the United States was on top of this. It was a \$14.7 billion fine in the U.S., and it appears so far that Environment Canada has not enforced it, and that's a big concern.

Isabelle, you mentioned that there are people within the department, enforcement people, who would be very willing to come here. In international leadership, which is what this study is about, it appears to some that Canada may have dropped the ball on this, so your offer to have somebody come here, I think, was very appreciated. I'd like to read that notice of motion and then go back to questions for the witnesses.

The notice of motion is

That the Standing Committee on the Environment and Sustainable Development undertake a study of no less than two meetings on the deceptive emissions tests from the auto manufacturer Volkswagen and call on Volkswagen officials to testify as well as officials from Environment Canada and any other government department the committee sees fit to invite and that the committee make recommendations to the government.

This is the notice of motion that I will pass to the clerk.

Ms. Stewart, I find your testimony interesting. Are we going to meet our Paris targets? We have just over a year.

•(1625)

Ms. Catherine Stewart: I can speak to the Paris rule book, and what we're doing under the Paris rule book.

I would defer to my domestic colleague to talk about our targets and what we're doing domestically.

Mr. Mark Warawa: The reason I'm asking you is that you mentioned that Canada is open and transparent in the negotiations with our international partners. Are you involved with that—in that open, transparent dialogue with international partners—or would that be Mr. Jones?

Ms. Catherine Stewart: The reporting that we do and provide to the UNFCCC is prepared by Matt Jones and his group. We work on that together; we provide input into that. I will let him speak to it.

Mr. Mark Warawa: Mr. Jones, are we going to meet our targets?

Mr. Matt Jones: I think so; that's the plan. Certainly we've seen a quite significant emission reduction so far. Our emissions are projected to go down quite significantly into the future, based on the policies that have been implemented so far.

Those emission reduction projections—what's in them, what the assumptions are, and so forth—are laid out in these reports that are available online and that are done on a regular basis. Every year we produce a report.

The UN requires something called the “National Communication” once every four years. To have greater transparency and a shorter lag between those reports, there's something called the biennial report, which is every two years. We do our inventory report, which documents the emissions; they're per year and—

Mr. Mark Warawa: I'm going to have to interrupt you, Mr. Jones.

All of the reports to this point have been that we're not going to meet our targets. You've said that in a year we're going to have met the targets. It's an impossible target. The IPCC is saying it's an impossible target.

What is Environment Canada going to do to make sure we meet those targets in a year?

Mr. Matt Jones: Are you talking about the one-year target, the 2020 target from the Copenhagen conference?

Mr. Mark Warawa: Yes.

Mr. Matt Jones: That one is a more challenging target than the 2030 target, for sure.

Mr. Mark Warawa: Then we're not going to meet that target.

Mr. Matt Jones: I don't know if we're going to meet it. We'll know in 2021 when we have data on our emissions.

We've been implementing a whole suite of policies as aggressively and as quickly as we can in order to generate the emission reductions in the near term that we need in order to get on the path. We have shifted the curve from up to down. We are making significant progress. The 2020 target is more challenging because we have a shorter runway in order to achieve that target.

Mr. Mark Warawa: How are we going to meet the 2030 target?

Mr. Matt Jones: Yes.

Mr. Mark Warawa: How? How are we going to meet it? Is it by increasing the price of carbon?

Mr. Matt Jones: No. If we implement the policies within the pan-Canadian framework as designed and laid out, that will achieve the emission reductions required, particularly if you include the other important investments that are happening now in advancing clean technologies and in infrastructure, things like public transit and other things. Some of them will take longer to bear fruit, like building codes; it takes longer for the building stock to turn over, but we are making these investments and implementing these policies. We're seeing the reductions.

When all of the policies are implemented and all of the math is done, I think we'll be on track. If we have to do mid-course corrections in terms of our approach, we have time to do them. We'll know in a few years' time what we need to do.

Mr. Mark Warawa: The IPCC report indicates we need to do much more. They're suggesting that we quadruple the price on carbon.

I'm from British Columbia. Canadians are groaning, particularly seniors on fixed incomes.

Would you agree that, internationally, Canada needs to... According to the government, it's to up the price on carbon and gas and force people out of their cars. Is that part of the plan?

• (1630)

Mr. Matt Jones: That's not part of the plan. The plan is as it's laid out with the regular schedule, running up to \$50 a tonne by 2022. That is the plan. That's our focus.

As I mentioned earlier on, this is a sequential process. We're looking to implement our policies to achieve Paris targets; then we'll set future targets and go from there. With luck, our investments in clean technology will bear some fruit, and the ability to drive emission reductions will be easier and cheaper in the future.

The Chair: With that, you're out of time.

We'll move over to Mr. Peschisolido.

Mr. Joe Peschisolido: Mr. Chair, thank you.

I'd like to thank our guests for their testimony. I'll leave it to Mrs. Bérard and guests to answer.

I appreciated your testimony because it makes it clear that even though countries have national borders geopolitically, when it comes to fighting climate change there really aren't any borders.

Madam Mamdani spoke about \$2.65 billion in the next four years to fight climate change internationally and work on a clean growth strategy. That's a big number.

Can you talk about some specific programs and how they are addressing the goal of dealing with international climate change?

Ms. Anar Mamdani: Sure. Thanks for the opportunity to highlight some of the work we're doing.

I will highlight some of the projects we are undertaking with multilateral development banks. One of them is the Canadian Climate Fund for the Private Sector in Asia. This is with the Asian Development Bank, and it is aiming to catalyse private climate investment in developing Asian and Pacific countries.

Just to give you an example of what we're doing there, the fund provided one project of \$8.1 million to the eastern Indonesian renewable energy project. The renewable energy generated by the project will avoid 159,000 tonnes of carbon dioxide emissions annually. That's the equivalent of 34,000 cars taken off the road each year.

That is just one example of one project that we are supporting through our investments in the Asian Development Bank. There are numerous others. I could give you some more if you're interested.

Mr. Joe Peschisolido: Perhaps we can have a submission, and then we'll move on.

Ms. Anar Mamdani: Sure.

Mr. Joe Peschisolido: A few times I've heard about market forces and removing the barriers from companies getting involved. For the longest time, a lot of companies and governments here in Canada and internationally have taken the view that pollution is free, but we're now putting a price on pollution.

Can you talk a little about how government and your dealings with France and other countries internationally address that issue, that pollution is not free, that there is a price on pollution, but that you want to work with companies and other agencies to go into a clean-growth approach?

My view is that you need to grow the economy, because if you don't grow the economy, we all become poor. On the other hand, you want to grow the economy to transition from our economy right now to a more clean-growth approach. How do you do that internationally, and what's been your role up to this point?

Ms. Catherine Stewart: There are number of fora, as I was mentioning earlier, where Canada gets together with other countries, with subnationals and with businesses and other groups to talk about carbon markets and about our experience on carbon pricing.

I'll highlight one called the Carbon Pricing Leadership Coalition, which Minister McKenna co-chairs. That one brings together businesses, civil society groups and governments to promote the successful implementation of carbon pricing. They share experiences and expand the evidence base about carbon pricing and the systems and policies by holding various workshops, regional working groups and so on, to share those types of experience. That's just one example.

Another is the Paris Declaration on Carbon Pricing in the Americas, which brings together national and subnational governments in the Americas who are committed to carbon pricing as a central policy instrument and apply the cost of carbon to guide public investment decisions.

Again, these are examples of two fora where we play a role in talking about our experience and learning from others, in order to continue to drive the momentum on carbon pricing.

•(1635)

Mr. Joe Peschisolido: I was heartened to hear from Madam Mamdani about the focus on girls and women, as well as on agricultural policy.

Just like Wayne and Mark, I too am from B.C. We put a huge emphasis on place-based agriculture and a national food security policy. Can you talk a bit about how your program is working? Maybe pick a country or two and describe how it's helping in your goals.

Ms. Anar Mamdani: I can't speak specifically to the work that's being done on climate-smart agriculture, except to say that it is a focus of a number of our geographic bilateral programs. Since I'm giving you the list of other support that we are providing, I can provide that as well.

Mr. Joe Peschisolido: What does that mean when we're dealing with a country? Are we funding a program, or...?

Ms. Anar Mamdani: We have bilateral projects with a number of countries. They have specific focus areas, some of which are climate-smart agriculture or other food security-related programming, given the fact that these are related to adaptation. We work with these countries to look at different ways of farming in the context of climate change, so that they are more resilient to climate change and what it is bringing to their environment.

The Chair: We have, on the schedule, 15 minutes' worth of questions. I'm going to add two minutes to each side for the final round of questions.

Ms. Stubbs, whether you want to take eight minutes or share it with your team, you have eight minutes starting now.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you. I think I'll ask a couple of questions.

The Chair: Sure. It's however you want to do it.

Mrs. Shannon Stubbs: Sure. I appreciate that.

I would like to go back to a couple of the issues that my colleagues were addressing around the concerns about meeting emissions reductions targets in Canada, considering that this is a global challenge and a global issue and that emissions don't respect borders.

As you've all articulated in different ways, obviously decisions have to be made globally, but I think there is a real concern around implementing policies that do what policy-makers and what elected representatives say they will do. It's deeply important to the people I represent, who will certainly have to bear the brunt and the costs of the current plan of the Liberals to impose a broad-based carbon tax on everything. Certainly it will disproportionately—this has been recognized by experts—harm the working poor and people on fixed incomes and disproportionately burden agricultural and energy-based communities. This is just to give you a sense of what my real concerns are on behalf of the people I represent.

I'm a little bit confused about the assertion that the targets will be met without, it seems, substantiation that this is the case. Specifically in the context of the IPCC reporting, very clearly Canada won't meet the targets.

Also, the recent Auditor General's report shows Canada is likely to miss the 2020 targets and is on track to miss the 2030 targets. This was also echoed by the commissioner of the environment and sustainable development.

We really do need more specifics in terms of what exactly the measurements and the reporting of reductions will be. We need transparency, particularly related to the impact of the carbon tax model in its relationship with emissions reductions, both for Canadians and for international partners.

Mr. Matt Jones: Sure. There are a number of things there.

In terms of carbon pricing, I'm not the expert on carbon pricing. We have a dedicated team in Environment Canada that have come before this committee several times. I can't delve into any great detail on the design of the carbon pricing system, but it's certainly been a topic of lots of debate.

In terms of the impact, there was a study released recently, publicly, on the impacts associated with our proposed policies. In developing a policy, there are a number of steps that must be cleared in terms of internal analysis, consultation and engagement. For any regulations to pass, you need to work through the Canada Gazette process and other things. All of our modelling and all of our analysis is there, and all those steps are there to ensure that we understand the impacts exactly and minimize those impacts at the design stage. That's how we've gone about the development of our policies.

In terms of our progress towards the target, the pan-Canadian framework and the collection of policies that were developed there were part of a fairly lengthy and intense process of developing policy options, sifting through those, and picking out the best policies and the right tools for the right sources of emissions, in consultation with provinces, external experts and others, but specifically for the purpose of achieving the 2030 target.

That's what that policy package is designed to do. There are variables, as oil and gas production has gone up, as GDP has gone up, and as population goes up. These are currents that you're swimming against. You project how much you think those will go up. Sometimes it's more, and sometimes it's less.

It is a national approach, so the contributions of the individual provinces can vary. At any given moment in time, there may be some provinces with quite comprehensive policies, and sometimes less so. There certainly are variables. We can't say, to the tonne and to the day, exactly when the target will be met, but the policy package is designed to achieve that target, and we're working to implement it as quickly as possible, and, as I mentioned, we'll adjust if we have to.

•(1640)

Mrs. Shannon Stubbs: This isn't necessarily a comment on you, but insofar as the federal government has absolutely presented its carbon pricing model as the cornerstone of its action and the fact that the government's own documents from Environment suggest that the carbon tax should be \$300 a tonne, the chief economist, in the development of Alberta's current plan.... Alberta, as you know, of course, was the first jurisdiction in North America to regulate emissions, set targets for reductions and have a carbon tax on major industrial emitters—more than a decade ago—but it seems to lack recognition for that. Even the Alberta chief expert involved in their current plan has said that what he called “the sweet spot” would be \$150 a tonne. Experts in Europe say that it would have to be \$1,200 a tonne for a full-scale commercial and innovation transition. Also, now, of course, the IPCC report is calling for a carbon tax of \$5,500 a tonne.

I would suggest that it is extremely important, and sooner rather than later, that there be a high degree of measurement reporting, transparency and accountability on exactly the emissions that will be reduced by the implementation of the carbon tax. I can tell you why the people I represent are very skeptical about this: because the plan being proposed by the federal government I think most closely does reflect British Columbia's model, which of course is no longer revenue neutral, and in which emissions have increased every year, of course, and in which there have been no reductions in gasoline prices. That should be deeply concerning, given that the vast majority of life-cycle emissions are from tailpipes.

What I understand you to be saying, I think, is that we can't be clear either to Canadians or to international partners that Canada will meet its targets, and the emphasis is on the suite of activities and policy proposals. It seems to me to be quite obvious that the evidence for whether or not a broad-based carbon tax on Canadians of \$30 a tonne to \$55 a tonne will actually achieve any significant reductions in emissions at all.... We also know for a fact that in terms of the costs the burden will be worst for the Canadian private sector, certain communities and the most vulnerable Canadians, which is especially important, of course, given that the top six major emitters in the world are not self-imposing this kind of carbon tax.

Mr. Matt Jones: I have maybe just a couple of quick ones. I see that the yellow flag is up.

In terms of the various dollar figures bandied about, I would emphasize that those are the kinds of things that people have flagged as illustrative if you wanted to achieve the entirety of the targets. There have been economists who would say that to achieve the target in full you would need a \$300 carbon tax.

We've explicitly not done that. We've not tried to achieve the target in full via carbon pricing or any other pricing mechanism. We have applied a whole suite of policy tools, ranging from programs to regulations, funding initiatives, information initiatives and research initiatives—a whole broad collection. I would flag that.

I guess we're out of time. I'm sorry.

•(1645)

The Chair: Now we'll jump over to Mr. Fisher for eight minutes.

Feel free to share your time with any of your colleagues.

Mr. Darren Fisher: I will likely have to, depending on the answers.

Ms. Stewart, you said that carbon pricing is getting a lot of interest around the world. I assume you meant that Canada's pollution pricing plan is getting lots of interest around the world.

Ms. Catherine Stewart: I think what Canada has been doing under the pan-Canadian framework is of great interest to a lot of countries, just in terms of how the pan-Canadian framework came to be and how we were able to get our plan, which was a very inclusive process.

Mr. Darren Fisher: Who else is doing this or something similar? What other like-minded countries are out there?

Ms. Catherine Stewart: I think there are a lot of countries involved, if you're referring specifically to carbon pricing.

Mr. Darren Fisher: It's pricing pollution.

Ms. Catherine Stewart: Norway, New Zealand, the EU, Mexico, Senegal—

Mr. Darren Fisher: When you say there's international interest in carbon pricing—

Ms. Catherine Stewart: There is.

Mr. Darren Fisher: —are those the countries you're talking about, or are there a lot of other countries that are looking to some of the world leaders to see what they're going to do before they implement?

Ms. Catherine Stewart: At the COP, which is the annual UN conference, there are a lot of opportunities to be talking about what we're doing domestically. From our experience at international meetings, there's usually a good deal of interest in our presentations on what we're doing to implement the pan-Canadian framework on carbon pricing, as an example, but also on reducing the use of coal for electricity.

When we share these experiences, there's definitely a lot of interest. We also hear from other countries that are doing similar things and sharing those experiences.

Mr. Darren Fisher: Other than the EU, would groups of countries be partnering?

Ms. Catherine Stewart: For sure. As part of the different forums I was referring to earlier when I talked about the carbon pricing leadership coalition, New Zealand spearheads a declaration on carbon markets, which is a similar discussion group that talks about how we do emissions trading and ensure environmental integrity. That's just another example of what I mentioned earlier.

Mr. Darren Fisher: You said Canada, China and the EU were grouping together, and then I lost you. I was trying to jot down notes.

You said they formed some form of collaboration or coalition?

Ms. Catherine Stewart: Yes, and this is referring to the IPCC report. Negotiators this year and every year are very seized with completing the rule book for the Paris Agreement this year because we feel this is the prime way that we are going to enhance ambition globally to reduce GHG emissions.

Mr. Darren Fisher: Partnering is going to speed that.

Ms. Catherine Stewart: I think one way we've worked with China and the EU and Canada to help drive action and getting the rule book done for the Paris Agreement was the three countries together hosted a ministerial group on climate action that brought together developed and developing countries from around the world at the ministerial level to talk about the Paris rule book and the importance of the rule book, the importance of the Paris Agreement in driving ambition. That's one way that Canada has been able to take some leadership internationally to help continue to drive the momentum on climate change.

Mr. Darren Fisher: Is China seized with this?

Ms. Catherine Stewart: Absolutely. They co-host this ministerial on climate action with us, as an example.

Ms. Lucie Desforges: I was going to add that China is planning and developing their own emission trading scheme as we speak, so they're certainly seized.

Mr. Darren Fisher: You talked about another collaboration among Canada, Mexico and interested states or like-minded states. I'm interested in what those states are, and was there a drive for the entire group of the United States to participate in that?

• (1650)

Ms. Catherine Stewart: We are wondering about a couple things. In Isabelle's introductory remarks she mentioned the North American leaders' dialogue, and we can get you the names.

Mr. Darren Fisher: You mentioned Mexico and you mentioned Canada and you said "like-minded or interested states".

Ms. Isabelle Bérard: There are 16 states, but I don't know the list.

Mr. Darren Fisher: That's good to know.

Was there a drive or was there any pressure from the other countries to try to get either more of the states or the entire country as a partner?

Ms. Isabelle Bérard: It was meant from the beginning to be trilateral: Canada, Mexico and the United States, and then—

Mr. Darren Fisher: Did the trilateral aspect fall apart and then some states came in and said they'd be part of it or did it—

Ms. Isabelle Bérard: No, it started at COP23 with...

Ms. Catherine Stewart: Governor Brown.

Mr. Darren Fisher: I'm happy to share the remaining two and a half minutes with my pal Joe.

Mr. Joe Peschisolido: Mr. Fisher, thank you.

Mr. Chair, someone mentioned the North American dialogue earlier. Can you elaborate on that and how it ties in with the pan-Canadian framework? Can you also comment on the changing political dynamics, with Conservative politicians like Premier Ford denying the need for a price on pollution and with a conservative

approach in the United States with the new administration under President Trump?

Those are two things. Can you explain a little about the process and then talk about how our position changes with the changing positions in other governments within the dialogue?

Ms. Isabelle Bérard: You want to speak to the dialogue a little? I did mention the dialogue and I said 16 states, but it's 17, now that I'm looking at my notes.

Mr. Darren Fisher: It's getting better and better.

Mr. Joe Peschisolido: That's progress.

Ms. Isabelle Bérard: It's increasing by the minute.

This, as I said, was launched at COP23 in Bonn, and I mentioned that it started with Governor Brown. It's very much focused on clean transportation, vehicle efficiency, clean technology and carbon pricing initiatives.

The idea was very much to bring together those who are interested in pursuing meeting the Paris targets and have a conversation about those issues. That's how it started.

In San Francisco it did get lots of interest. There were further discussions on this.

Maybe, Lucie, you can add a bit more on that.

Ms. Lucie Desforges: I would simply add—to talk about the elephant in the room—that this is largely driven by the U.S.'s announcement to withdraw from the Paris Agreement. There are multiple states out there that are willing and able and that are showing a lot of leadership. Now it's Canada, Mexico and these 17 states, and we add a few every other month or so. It's a growing coalition. We partner together to make sure that we advance climate in North America.

Ms. Isabelle Bérard: Earlier in my remarks I talked about powering past coal. Again, we have this alliance that brings together a number of countries and municipalities as well as states.

The Chair: For the last five minutes with this panel, we'll go to Mr. Stetski.

Mr. Wayne Stetski: Thank you.

I hope I'm not misrepresenting any of my colleagues around the table in terms of their interest in reaching these climate targets and the concern about not reaching them, but earlier on, Mr. Jones, you talked about some of the countries around the world that are actually moving forward very well at meeting these targets. You talked about the suite of different initiatives, such as the policy initiatives, etc., that are required and that are all put together to potentially reach the targets. You also said that the countries that have the price on pollution were doing better than many of the other countries.

Could you elaborate a bit on that? How important is having a price on pollution in meeting reduction targets?

Mr. Matt Jones: I mean, every country is unique, so different countries have different distributions of emissions in terms of where their emissions come from—some very focused on electricity, others more on transportation, others more on industrial, and so on. As a broad principle, however, because pricing of pollution is a very efficient tool that allows you to achieve emission reductions across the country, across the economy, generally speaking it's difficult to envision a comprehensive approach to reducing emissions that doesn't include it. The European Union is a good example. They have a system they put in place many years ago. That system applies more to their heavy emitters, but it's allowed for efficient emission reductions and continued reductions over time.

Our approach has generally been that you do not want to shock the system. You want to move gradually. You want to avoid a situation where you go too fast and have unintended consequences. That's why it has been beneficial to set a number, set a target, and lay out a schedule for the price. The Europeans have ratcheted down their cap very steadily over the years for quite a prolonged period without economic consequences.

• (1655)

Mr. Wayne Stetski: From your observations, there's a direct relationship between having a price on pollution and meeting the targets to reduce.

Mr. Matt Jones: Yes, absolutely. The European countries I think have universally met their Kyoto targets and other targets in the past, and have had trading as a key tool to get them there. That's one example, but there are others.

Mr. Wayne Stetski: Just to be fair to my colleagues here, are you aware of any countries meeting their targets that don't have a price on pollution?

Mr. Matt Jones: I would have to look back at the policies of other countries, but no, I can't think of one off the top of my head.

Mr. Wayne Stetski: It would be interesting to hear, just so that we could correlate the two.

Earlier on, Ms. Mamdani, you talked about \$2.65 billion over five years going to developing countries, with the focus on women. Can you tell me how that translates to a woman on the ground in a third world country? They're great words, and I love the words, but how does that actually impact the women on the ground in these countries?

Ms. Anar Mamdani: Sure. Thank you very much for that question.

What I will give you an example of is how that is translating into some of the work we're doing. Our feminist international assistance policy is guiding all of the work we're doing. Access to financial resources is one means through which we are trying to impact women on the ground. That includes climate risk insurance and other repayable financial tools, which are essential to people but especially to women and their families, to allow them to bounce back and adapt to climate change, especially in the wake of disasters. Women and girls, though they are often the most impacted by extreme weather events, are also the least likely to have access to financial resources to recover and rebuild their lives and livelihoods.

Some of the work we are doing is to ensure that women have access to financial resources, particularly, and are more resilient in the face of extreme weather events. That is one example, but there are numerous other ones, particularly from the perspective of the roles we play with the multilateral development banks and the governing bodies that we are a part of.

We are a leader in terms of ensuring that a gender perspective is brought to those discussions to ensure that the programming we do that is supported by those multilateral development banks has a gender lens applied to it. That is more from a policy level setting, but the example I gave in terms of access to financial resources actually is how it translates on the ground.

The Chair: Thank you.

With that, we're out of time and we need to prepare for our next panel.

To all of the departmental officials, thank you so much for being here. It's always a pleasure hearing from you. Feel free to go home and enjoy the evening, and we'll get ready for the next panel.

Thank you so much.

We'll suspend for two minutes.

•

_____ (Pause) _____

•

• (1700)

The Chair: Welcome to our next two guests. Laura Sacks and Judy O'Leary are both group leaders and B.C. coordinators with the Citizens' Climate Lobby, Nelson-West Kootenay chapter.

What we're going to do is give you nine minutes for opening comments, and then we'll do the same format. We'll go through with one round of six minutes from the Liberals, six minutes from the Conservatives, go back to the Liberals for six minutes, and then go to Wayne for three minutes.

We have some newcomers. Michael Levitt, welcome. Mike Bossio, welcome back to your seat at the table. Mr. Cannings, it's always a pleasure to see you.

Ladies, it's over to you.

Ms. Judy O'Leary (Group Leader and BC Coordinator, Nelson-West Kootenay Chapter, Citizens' Climate Lobby): Hello. As mentioned, we're from Citizens' Climate Lobby. This is a volunteer, non-partisan group of volunteers. It's an international organization. We coordinate for British Columbia. There are members all across Canada, including in Ottawa.

Laura and I both have environmental and policy expertise, but we're here as volunteers and citizens who see climate work as the most pressing issue of our time. We thank you for this invitation, and we also thank you for the great work that this committee continues to do. We're very appreciative of that. We're also appreciative of those of you who stayed up late last night in the climate change debate; that's wonderful.

I think we can acknowledge that everyone in this room cares a lot about the environment—that was clear for us to see, as we listened to you—and no doubt very worried about climate change and the best way to address it. I would say that all of us share the goal of reducing greenhouse gas emissions and that we have a lot of common ground, regardless of our political stripe.

We are going to briefly cover, as a tag team, three points today—the urgency, the best tools to tackle the problem and the great opportunity that we have in the midst of this crisis. We'll leave some material for the analysts.

I'll turn it over to Laura.

• (1705)

Ms. Laura Sacks (Group Leader and BC Coordinator, Nelson-West Kootenay Chapter, Citizens' Climate Lobby): Thank you, Judy.

The urgency is very clear, as we see with the recent IPCC report that just came out. We need to take effective action, and very quickly, to stay under 1.5° C and also to avoid the worst damage.

Public concern across the country is clear. An Abacus poll from this year shows that the top two concerns among Canadians are health care and climate change. We need to recognize that climate change is causing severe health issues, for example, from air quality and from mental health issues around floods, fires and evacuations. We certainly saw major impacts across Canada this summer from floods, severe heat, wildfires and even tornadoes.

On a personal level, our summer in the interior of B.C. was quite horrific. We had 20 days when we were advised to stay indoors because the wildfire smoke was so bad it was choking. One could hardly see across the street. We went from floods and landslides almost straight to wildfires, and it impacted us in our communities very personally.

For example, a friend of mine who had a baby under one year old was renovating the kitchen, so she had an outdoor kitchen, and she's very concerned about long-term impacts on her young baby's developing lungs from all that fine particulate matter he breathed.

Another example is my elderly neighbour, who had burning lungs for weeks. My neighbour went to the doctor and was told, "Yes, we're seeing a lot of people like this. Some people have to go the emergency room, but really the only thing they can do is send you home and tell you to close your windows and hope you have an air filter." It became really personal in our area.

We understand that climate change is an international problem and that emissions need to reduce rapidly to stay below one and a half degrees or two degrees. It's also clear that the differences in the impacts of a one-and-a-half-degree world and a two-degree world are quite significant.

We have concerns about stranded assets and public investments in the oil and gas sector here in Canada, as the world needs to move quickly away from fossil fuels. If we want the goals of the Paris Agreement to succeed, we need to start redirecting investments now.

Already, impacts from climate change are causing huge economic impacts. Hon. Ralph Goodale recently stated that losses from floods

and fires are causing Canadian taxpayers \$1 billion a year, and the future costs of doing nothing or very little will continue to increase—for example, ever-worsening wildfires, floods, superstorms, droughts, ocean acidification, sea level rise and climate refugees.

For me, it gets pretty scary when you look the problem directly in the eye.

Ms. Judy O'Leary: What do we do about this problem? Our organization believes that a steadily rising price on carbon pollution needs to be the foundation of any climate plan. It certainly isn't the only tool, but we believe it is the most cost-effective way to accelerate the transition to a cleaner economy and to produce innovative solutions.

This particular approach of focusing on carbon pricing as the major tool has been confirmed by the two Nobel prize winners in economics.

We can achieve the same end goal. As I said, I believe we all want to reduce greenhouse gas emissions. You can do it through carbon pricing and other tools, or you can focus more heavily on a regulatory approach. You get to the same end, but the difficulty with a regulatory approach is that it's extremely costly to administer and very inflexible. Our feeling is you should use that at a minimum, and focus on the pricing.

I assume you're familiar with the Ecofiscal Commission's work. They did a study that compared the two. They looked at the period from 2015 to 2020. They did the analysis to determine the difference between going with pure carbon pricing and going with the regulatory approach. The regulatory approach resulted in a 3.8% hit to GDP. That's a 3.8% decrease. There was very little impact from carbon pricing.

This isn't anything to do with politics. It's about finding where you get the best bang for your buck and how you can get the job done without impacting the economy as much.

Our primary ask is for price certainty for industry and households. We would like to see some confirmation that the carbon price will keep rising steadily at least past 2030.

The question raised earlier was about how high it has to go. We think the biggest impact is from that certainty. People in businesses know it's going to keep rising, and so they start to change behaviour. That's going to make a bigger difference than arguing about how high it has to go.

We also need to make sure the carbon price covers all emissions, including methane fugitive emissions, which are quite significant, and is as upstream as possible to have the biggest effect.

We also need to phase out fossil fuel subsidies and other supports for the fossil fuel industry, such as tax and royalty breaks. We've seen some progress at the federal level, and we hope that as a federal government you will also use some pressure on the provinces, in particular B.C. and Alberta, which have significant supports in place for a well-established fossil fuel industry that we need to transition out of.

The revenue issue is key so that carbon pricing isn't seen as a tax grab. We're seeing some push-back in B.C. right now because it's no longer revenue neutral. We also need to look at the carbon tax revenue so that it doesn't, as was mentioned here, disproportionately harm the poor.

Take, for example, the recent work by Mark Cameron at the Clean Prosperity Institute. He comes from a Conservative background. He has finally given us the clear evidence that we've heard you discussing in the House of Commons, the numbers on what this is going to cost.

Mark Cameron has done this, and we have left some copies of that here. He shows that if you return the tax revenue to households, poor and lower-middle-class people will come out further ahead and most of the burden will be borne by the wealthy. I hope you will have a look at that.

We feel that B.C. clearly shows... There was some mention earlier that the emissions did not decrease while the B.C. carbon tax was in place, and I need to correct that. There are eight independent studies that show that while the carbon tax was rising, emissions did fall and GDP wasn't affected.

We think there's an opportunity for Canada to be a leader in the world on market-based solutions to climate change.

• (1710)

Ms. Laura Sacks: Solving the climate crisis is also a huge economic and health opportunity. The World Health Organization calls climate change the number one threat to human health in the 21st century. Conversely, addressing climate change is an incredible opportunity to improve health; for example, cleaner air and water quality and healthier populations by having more options for active transportation.

Globally we have a—

The Chair: We're running out of time.

Ms. Laura Sacks: Okay. I'm just going to say we have a huge opportunity here. Canada does have the opportunity to lead.

I'm going to wrap it up with a statement to you as leaders.

We're at a crossroads. The question I have for you is this: Will I be able to let my daughters, both in their early 20s, know how we want to be remembered as people? Will it be as those who took strong action at a time of crisis, or those who were timid and didn't make the hard decisions about the changes we needed so they can have a livable world for their children and themselves?

Thank you.

The Chair: Thank you for your opening comments.

We're going to start our questioning with six minutes to Mr. Bossio.

Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.): Thank you both so much for being here at our meeting. What you had to say really does hit home.

Too many times we point out that the price on pollution is going to cause such hardship for so many taxpayers in our society, but as you stated, our taxpayers are already paying an inordinate amount of money every time we have another fire season in B.C., or Alberta, or northern Ontario or wherever it is, or when we have droughts, giving payouts to farmers and others to bring back their water. There are also floods and the impact we're seeing on health care budgets because of air pollution, which is causing so many problems with the health of Canadians. In essence, we're looking at a cost of billions of dollars that is borne on the backs of taxpayers.

Under a price for pollution, the largest emitters, the wealthiest, who we know on average pollute far more than the less wealthy emitters, will pay more into a system like that. It is in a revenue-neutral system that we'll see our lowest-income Canadians actually benefit financially from this price on pollution, with a pricing mechanism that pays out a dividend to residents.

Have you seen that in studies you've done yourself? I know that the most recent study that just came out a few weeks ago from a past chief policy adviser to the Harper government pointed this out very clearly.

• (1715)

Ms. Judy O'Leary: Yes, we certainly have. In the United States, where they've been doing a lot of work on this, there have been quite a lot of studies on this already. Mark Cameron's work is the first really good analysis on the Canadian system, but the American work and our organization have shown this data for quite some time.

Did you want to add to that?

Ms. Laura Sacks: Lower-income Canadians have a lower carbon footprint, and if a dividend is distributed equally, it actually helps those lower-income Canadians adjust to any rising prices and have a little bit extra left over at the end so they can use that to make better choices.

Mr. Mike Bossio: We keep talking about that it's going to have such a devastating impact on our economy, but in actual fact, it was revenue-neutral in B.C. up until very recently and B.C. had the fastest-growing economy while its carbon emissions were being reduced dramatically. Is that not a perfect case in point as to the actual positive impact that mechanism can have?

Ms. Judy O'Leary: Yes, and there has been some recent work done by one of our members, David Maenz, who is a university instructor in Saskatchewan. In the book I gave Mr. Aldag, he compared Saskatchewan and B.C. over the same time period. Saskatchewan, which had no carbon price in place, saw a huge increase in its fossil fuel consumption, with emissions rising, and B. C. saw the exact opposite. Both of their GDPs were relatively stable in that time, growing a little bit. It's a great comparison.

Mr. Mike Bossio: I'm sure you've seen this graph that came out recently from Australia and the impact this had. Its carbon emissions were increasing on a plane like this, and when it put a price on pollution, its emissions dropped off precipitously over that two-year period. As soon as it eliminated that price on pollution, its emissions all of a sudden spiked in a drastic manner over the last two years. Is that not a perfect example of the impact a price on pollution can have?

Ms. Laura Sacks: That's a perfect example of why long-term price signalling is really important. One of the things I didn't get a chance to say was that in jurisdictions like the U.K., they've agreed to make climate policy a non-partisan issue and to use a certain method to reduce emissions and get on with it, so that it's not flip-flopping with a strong policy that is then removed. We want to build bridges between parties so that we can have long-term certainty in a carbon price.

Mr. Mike Bossio: Doesn't that also go to the idea that you really need to focus not just on one mechanism? When we're trying to achieve our climate goals, we need a multi-faceted regulatory approach, investing in transit, innovation and green energy, emissions reductions and water and sewers to ensure we are using waste energy and not just allowing methane to escape.

One silver bullet is not going to solve this. There's a lot of talk that a price on pollution is going to be a waste of time. We know that by itself it's not the solution. We need to have a multi-faceted approach to this.

Ms. Judy O'Leary: Yes, I would agree. I would direct you again to Ecofiscal's work. They've done a wonderful analysis on the complementary policies. They looked at when we need policies other than carbon pricing, and they've done a really good analysis on what it costs the economy.

For example, on electric cars, they did some analysis and they concluded that a quota for dealers works a lot better than a subsidy. It costs the government way less money and you get way more take-up on electric cars. That's one example, but they've done a really detailed analysis of what other things you should use to complement carbon pricing.

Mr. Mike Bossio: Would you agree with the statement that if people are allowed to pollute for free, they will pollute freely?

Ms. Judy O'Leary: Yes.

Mr. Mike Bossio: Thank you.

The Chair: Thank you.

Mr. Warawa is next.

Mr. Mark Warawa: Leona has it.

The Chair: Okay, Ms. Alleslev, go ahead.

Ms. Leona Alleslev: Well, thank you very much, and thank you very much for being here today.

I wonder if I could take a slightly different tack. There are things the government is proposing for carbon taxes and stuff like that, but we also have a number of laws, environmental protection acts, that are not being enforced. I'm wondering if you could give us a feel for your perspective on how the government is doing in enforcing environmental regulations and the impact this enforcement is having on pollutants and climate change.

• (1720)

Ms. Judy O'Leary: Obviously, we need to enforce the regulations we have, but I think it's outside the scope of our expertise to know how well the government is doing on that. Our focus is on greenhouse gas emissions.

One of our concerns, at the national and provincial level, is that the governments are not doing a good enough job in making sure they're covering all the pollutants. Methane is a great example. There is a proposal for regulations to bring this down 45%, but the governments of this country haven't done a good enough job at measuring the baseline level, so what do we compare to?

For example, the B.C. and federal governments are really pushing LNG, liquefied natural gas. We don't know the baseline emissions of methane. We have not pushed to see how we can get those down. This will use up most of the greenhouse gas emission quota in B.C. over the years. It's a huge problem, so you're quite right that we have to enforce our regulations. We have to make sure we know what the pollutants are, and we have to make sure we regulate and enforce.

Ms. Leona Alleslev: I was actually referring to exactly what you're saying around emissions, around diesel greenhouse gas emissions. Volkswagen had a device that allowed them to cheat and produce emissions up to 35 times greater than our regulatory standard allows, yet three years later the government still hasn't laid any charges or done anything to ensure that those emissions have been remedied, that Volkswagen is not cheating, and that other people aren't cheating, either. That type of thing is pretty significant.

Even if you don't have all the data, what do you think about that? Is this something the government should be prioritizing, perhaps even as much as other things?

Ms. Judy O'Leary: I don't know if I would set it as a priority, but of course I would like to see no one cheating.

Ms. Leona Alleslev: All right, fair enough.

The other thing is that you talk about reducing emissions, but we also talked about fires and the impacts we're seeing on climate change right now. Whether or not the government is successful in Paris, whether or not we achieve 2020 targets and 2030 targets—you do you feel what we're doing will change the current climate so that we won't have the increase in floods, or is our purpose to prevent even greater apocalyptic-type climate situations?

Ms. Laura Sacks: I'll take that.

First of all, Canada's 2030 target is equivalent to a three-degree to four-degree warming if all other countries in the world had a target like ours.

Ms. Leona Alleslev: If all other—

Ms. Laura Sacks: Our target is less ambitious than those of many other countries. That's one point. We produce a relatively small amount of emissions, you might say. We learned just recently that—

Ms. Leona Alleslev: If other countries don't—

Ms. Laura Sacks: —35 other countries have a small amount of emissions, so it's not insignificant. If everybody used the excuse that they were small, then we would... Every little bit counts. It's a complex problem, as we were just being told, and all of our emissions are important, so I'm not going to discount Canada's role.

If Paris is successful and all the countries of the world come together to keep warming below two degrees, striving towards one-and-a-half degrees, we are still going to have fires and floods until we can start taking CO₂ out of the atmosphere. There are some scientists who think there are ways to do this through forestry, agriculture and technology. They think that in the second half of the century we can start reducing the amount of carbon dioxide and other greenhouse gases in the atmosphere and then lower those risks, but we are in it right now, and we can't just stop the boat.

Ms. Leona Alleslev: Fair enough.

Ms. Laura Sacks: We're not saying that pricing carbon is going to stop wildfires.

• (1725)

Ms. Leona Alleslev: The question is, what impact will Canada's achieving targets in 2030 have if China and Russia—the overwhelming majority in the world—do not take similar action?

Ms. Laura Sacks: That's a really good question, and that's where we really need Canadian leadership and that of other countries of the world. It's a moral question.

Ms. Leona Alleslev: Is it reasonable to think that Canada can lead China and the United States, who are responsible, I think, between the two of them, for upwards of 75% of global emissions? If so, at what cost? We're looking at a cost to our economy that will make us less competitive in our significant GDP category. What is the cost versus the return, and what is our contribution?

Ms. Laura Sacks: One thing as far as costs go is that if Canada is an innovative leader, we can sell our technology. China is in it seriously. It has a strong motivation to decrease its emissions for its own security, as well as its own economic growth.

The Chair: With that, we were going to go back to the Liberals for a brief round of questioning, but given that we have four minutes left, I'm going to turn it all over to Mr. Stetski to take us to the 5:30 mark.

Mr. Wayne Stetski: I'd like to thank my colleagues for allowing this to happen today. I'm very happy to have Laura and Judy here.

In 2007, I got a cheque in the mail from the B.C. government, which set a positive tone for bringing in the tax in 2008. It's now been in place for 10 years in British Columbia. We were accountable for our emissions. I was with the provincial government, and we had

to account for every kilometre that we drove. There was, in essence, a cost to claiming that.

In the next phase, the government was taking the money and putting it into a green fund. People with ideas that would help the environment and help reduce CO₂ could apply for it and put that money to good use, so that was a second version of the model. In 2008, they also reduced taxes in such a way that there was a net neutral cost to people, so it was a carbon tax, yes, but they reduced other taxes to offset the carbon tax.

Then we went to this green project model. When I was mayor of Cranbrook, we were supposed to write a cheque for \$60,000 to the province to cover our CO₂ costs. They agreed that if we could demonstrate we were putting that \$60,000 to use to improve energy, etc., in our communities, it was a worthwhile thing to do and we didn't have to write the cheque. It was all about incentives to reduce CO₂.

In the model you prefer, having looked at a number of models, are you talking about returning an equitable amount to every Canadian? Is this why people who have a lower income would benefit, so that a person who is making a million dollars a year and a person making \$20,000 a year would get the same amount of money in their rebate cheque? What is the model you actually prefer?

Ms. Laura Sacks: That's the pure carbon fee and dividend model that CCL has been advocating for. Again, there is a lot of fine tuning. British Columbia fine-tuned a lot of things, from corporate tax cuts to rural and northern rebates. There are many different models, and that's the one CCL has been advocating for.

I just wanted to mention, too, that as far as B.C.'s carbon tax goes, if we got rid of the carbon tax today, corporate and other business tax rates would go up right away, so we would be hearing screaming from a lot of businesses. We also have our personal income tax, where the lower two brackets have been cut; those tax rates would go up. I don't think people who are attacking B.C.'s carbon tax necessarily understand that their taxes would be going up.

Mr. Wayne Stetski: The way you implement it is really important, both in terms of public acceptance and also benefit or cost to the economy.

• (1730)

Ms. Judy O'Leary: I think perception is very important. Depending on how you roll this out, people will see it differently. If you're not transparent enough, it doesn't work very well.

Ms. Laura Sacks: Seeing the money as a rebate cheque is a reminder to people where that money is going. It won't be considered a tax grab if you're seeing a cheque in the mail or a debit on your chequing account, a positive debit. It's the wrong way around, a positive debit or whatever that's called.

Mr. Wayne Stetski: Thank you for coming all the way from Nelson. I appreciate that.

Thank you, everybody.

Ms. Laura Sacks: Thank you.

We'll be doing this again on Thursday, so see you then.

The Chair: With that, we're out of time. We're now at 5:30.

This meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>