



April 6, 2022

Dear members of the Standing Committee on Environment and Sustainable Development

Re Accelerating Canada's G20 commitment to eliminate fossil fuel subsidies

Regarding the committee's review of the definition of a subsidy and ways to accelerate Canada's G20 commitment to eliminate fossil fuel subsidies, we make the following three recommendations:

1) Adopt an inclusive definition of subsidy, including indirect subsidies to the consumption of fossil fuels such as highway and airport expansion.

As 350 Seattle puts it "Not only does adding highway capacity fail to resolve congestion, but it is also a disaster for the climate. The highways that encircle and cut through our cities are the other fossil fuel infrastructure, as dangerous as the drilling and piping and refining of oil. They literally pave the way for all that consumption."¹

Todd Litman of the Victoria Transport Policy Institute asserts that "Roadway expenditures not funded through user fees can be considered an external cost or subsidy."²

The 1997 National Round Table on the Environment and the Economy report State of the debate on the environment and the economy: the road to sustainable transportation outlines the case that highway expansion is a subsidy to fossil fuel consumption via automobile dependent sprawl and is also a subsidy to fossil fuel burning in goods movement by truck (as compared to freight rail and other more efficient freight modes).³

All public funds going to urban highway and airport expansion should be defined and accounted for as subsidies.

In 2016 the NDP and Greens helped pass MP Andy Fillmore's private members' motion M-45, calling for analysis of the greenhouse gas impact of infrastructure funding proposals and for funding reallocation to projects that reduce climate pollution. M-45 informed the Pan-Canadian Framework on Clean Growth and Climate Change which

¹ <https://350seattle.org/wa-senate-transportation-package/>

² <https://www.vtpi.org/tca/tca0506.pdf> P 5.6-5

³ <http://nrt-trn.ca/wp-content/uploads/2011/08/road-sustainable-transportation.pdf>

commits the federal and provincial governments to “shift from higher to lower-emitting types of transportation, including through investing in infrastructure.” Examples include transitioning from driving to public transit and cycling as well as using rail to move freight instead of trucks.⁴

It is time for the federal government to define funding for highway and airport expansion as fossil fuel subsidies, and to implement the Pan-Canadian Framework on Clean Growth and Climate Change provisions regarding the reallocation of infrastructure funds.

In Greater Victoria, the Capital Regional District voted unanimously to advocate for shifting federal and provincial funds from highway expansion to public transit, walking, rolling and cycling infrastructure.⁵ *Please respect the unanimous vote of our regional representatives, and stop subsidizing the consumption of fossil fuels in the CRD, and across Canada, through highway expansion projects.*

2) Shift agricultural funding from subsidizing fossil fuels to supporting sustainable and regenerative agriculture

Canada needs to shift subsidies away from our current, fossil-fuel reliant food system towards sustainable and regenerative agricultural systems. We currently rely on industrial agriculture, which uses a non-renewable supply of fossil fuel for mechanization, fertilization, and transportation of agricultural products.⁶ Fossil fuel shortages lead to supply chain instability and reduced resilience of our food systems that are reliant on these resources to operate.⁶

The use of fossil fuels in agriculture actively degrades both the agricultural system itself and associated natural systems through soil degradation, water pollution, and associated biodiversity loss. Agricultural systems therefore become more reliant on fossil fuels, resulting in further degradation of natural systems, and culminating into a cycle of dependence that will inevitably collapse.⁷

According to the International Institute for Sustainable Development (IISD), there is a 275 million dollar subsidy for the use of "coloured fuels" (red dyed fuel, used for off-road vehicles in agriculture and other industries, is not taxed in Canada) in the agriculture industry in Ontario alone.⁸ British Columbia has a subsidy for greenhouse

⁴ <https://ricochet.media/en/3616/bidens-earth-day-summit-shows-canada-is-stuck-in-the-slow-lane-on-climate>

⁵ www.gvat.ca/blog/op-ed-by-gvat-climate-justice-team-co-leads-crd-must-push-province-to-fund-rapid-bus-instead-of-expanding-highways

⁶ www.resilience.org/stories/2006-06-11/implications-fossil-fuel-dependence-food-system

⁷ www.reuters.com/business/energy/cucumber-crisis-surg-ing-energy-prices-leave-british-glasshouses-empty-2022-03-31/

⁸ www.iisd.org/articles/unpacking-canadas-fossil-fuel-subsidies-faq#howmuch; www.canadianfuels.ca/news-commentary/the-colour-of-fuel/

operators, which are exempt from the Provincial Carbon Tax according to the 2018 Greenhouse Gas Pollution Pricing Act.⁹

These and other agri-industry subsidies need to be acknowledged as fossil fuel subsidies and subsequently phased out.

These subsidies should be put towards developing a sustainable, regenerative, and robust agricultural system rather than towards fossil fuel inputs.

3) Focus on phasing out fossil fuels, not on subsidizing dubious technologies to reduce the GHG intensity of fossil fuels.

We agree with hundreds of other groups that “Carbon capture schemes are unnecessary, ineffective, exceptionally risky, and at odds with a just energy transition and the principles of environmental justice. We ask that you reject federal funding for CCS technologies, immediately end subsidies for enhanced oil recovery, and instead prioritize investments in safe and sustainable climate solutions and equitable and just transitioning of workers and communities to a fossil-free, clean energy economy.”¹⁰

Thank you,

Beatrice Gentili-Hittos, D’Arcy Briggs and Eric Doherty – for Climate Justice Victoria

www.climatejusticevictoria.ca

⁹ www.iisd.org/system/files/publications/canada-fossil-fuel-subsidies-2020-en.pdf

¹⁰ <https://canadians.org/update/carbon-capture-not-climate-solution>