

**BRIEF TO THE HOUSE OF COMMONS**  
**STANDING COMMITTEE ON ENVIRONMENT AND SUSTAINABLE  
DEVELOPMENT**

**FOSSIL FUEL SUBSIDIES STUDY**

MAY 8, 2022

SFU350

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## **Recommendations**

**Recommendation 1:** All subsidies and fiscal support currently provided to the oil and gas sector must halt before 2023, which includes financing provided through Export Development Canada and other applicable crown corporations; cancelling all government programs and tax measures that exclusively subsidize the oil and gas sector; and formally committing to not introducing any new subsidies or fiscal support for the oil and gas sector.

**Recommendation 2:** The government must design legislation that excludes loopholes that allow for subsidies for oil and gas companies. These loopholes include carbon capture, utilization, and storage (CCUS), and fossil blue hydrogen. The government must cancel the CCUS tax credit.

**Recommendation 3:** The government must take a holistic approach to climate-oriented subsidies, ensuring that all fiscal support programs are subject to robust conditions aligned with Canada's Paris Agreement obligations.

**Recommendation 4:** The government must uphold the Polluter Pays Principle, which will ensure that emission-reduction and environmental clean-up costs are not unfairly transferred to the general public.

**Recommendation 5:** The government must ensure all future energy projects are fully aligned with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); these projects must uphold Indigenous rights and meet the principle of free, prior, and informed consent.

SFU350 rejects the use of subsidies that support the continued extraction of fossil fuels and calls for their full elimination. Subsidies that finance the fossil fuel industry are incompatible with the current climate crisis and deplete funds necessary for a just transition.

Public subsidies are unacceptable for an industry that has continuously lobbied governments<sup>1</sup> in order to continue its operations in perpetuity, and that continues to harm both people and the planet. The fossil fuel industry is a driver of colonization, environmental racism, biodiversity loss, and climate change. For example, the Trans Mountain Pipeline Expansion project was a previously federally-owned pipeline twinning project that violated the rights of numerous First Nations, such as the Tsleil-Waututh Nation<sup>2</sup> to Free, Prior, and Informed Consent (FPIC). Relatedly, in Ontario's Chemical Valley, the oil and gas sector has been detrimental to the health of the local community<sup>3</sup>, including the Aamjiwnaang First Nation. Further, in B.C. specifically, public subsidies to the mining sector are funding the continued decline of caribou<sup>4</sup>; caribou are federally-listed as a Species at Risk and Treaty 8 First Nations have Treaty rights to hunt caribou. These are but a few examples of fossil fuel industry harm that have been funded by public dollars.

The public funding of the fossil fuel industry is the funding of harm to people and the planet. SFU350 demands the government halt all subsidies to the fossil fuel sector as soon as possible, and to instead ensure that funding goes towards a just transition that yields a future of renewable energy, Indigenous rights and sovereignty, and equity for all.

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<sup>1</sup> Franta, B. (2021, October 28). What big oil knew about climate change, in its own words. *The Conversation*. <https://theconversation.com/what-big-oil-knew-about-climate-change-in-its-own-words-170642>

<sup>2</sup> Tsleil-Waututh Nation Treaty, Lands & Resources Department. (n.d.). *Assessment of the Trans Mountain pipeline and tanker expansion proposal*. TWN Sacred Trust. [https://twnsacredtrust.ca/wp-content/uploads/TWN\\_assessment\\_final\\_med-res\\_v2.pdf](https://twnsacredtrust.ca/wp-content/uploads/TWN_assessment_final_med-res_v2.pdf)

<sup>3</sup> Ecojustice. (2007, October). *Exposing Canada's chemical valley: An investigation of cumulative air pollution emissions in the Sarnia, Ontario area*. Ecojustice. <https://ecojustice.ca/wp-content/uploads/2015/09/2007-Exposing-Canadas-Chemical-Valley.pdf>

<sup>4</sup> Wood, S. (2020, December 3). Public money 'helped fund extinction' of B.C. caribou through mining subsidies: report. *The Narwhal*. <https://thenarwhal.ca/bc-extinction-caribou-coal-mining-ccpa-report/>

## Summary of Recommendations

**Recommendation 1:** A just transition to renewable energy should be one of the most important government priorities. All subsidies and fiscal support currently provided to the oil and gas sector must be halted before 2023 in order to achieve this transition. This includes halting any financing provided through Export Development Canada and other applicable crown corporations; cancelling all government programs and tax measures that exclusively subsidize the oil and gas sector; and formally committing to not introducing any new subsidies or fiscal support for the oil and gas sector.

**Recommendation 2:** The government must design legislation that excludes loopholes that allow for subsidies for oil and gas companies. These loopholes include carbon capture, utilization, and storage (CCUS), and fossil blue hydrogen; the government must cancel the CCUS tax credit.

**Recommendation 3:** The government must take a holistic approach to climate-oriented subsidies, ensuring that all fiscal support programs are subject to robust conditions aligned with Canada's Paris Agreement obligations.

**Recommendation 4:** The government must uphold the Polluter Pays Principle, which will ensure that emission-reduction and environmental clean-up costs are not unfairly transferred to the general public.

**Recommendation 5:** The government must ensure all future energy projects are fully aligned with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); these projects must uphold Indigenous rights and meet the principle of free, prior, and informed consent.

SFU350 demands the government implement these recommendations and halt all subsidies to the fossil fuel sector by the end of 2022. The government must ensure that funding goes towards a just transition from fossil fuels to renewable energy; this transition must be in alignment with the UNDRIP principles and must ensure equity for all.

### About SFU350

SFU350 is an on-campus student organization at Simon Fraser University (SFU) that engages the SFU community in meaningful action against climate change in pursuit of a more sustainable world. SFU350 has successfully campaigned for the divestment of all fossil fuel holdings in all funds under SFU's ~\$400 million investment portfolio from fossil fuel extraction, processing and transportation companies.