Citizens' Climate Lobby Canada
Lobby Climatique des Citoyens

January 2019 Guest: Amanda Ripley, journalist

Amanda Ripley is a reporter who practices "solutions journalism" that digs below oversimplified narratives to get to the deeper truths about people and society. In the process, she has come across a way to address conflict that results in a more satisfying outcome: Complicate the narrative. As we engage in the difficult conversations needed to arrive at solutions to preserve a livable world, Amanda offers the tools to disrupt the intractable conflict that impedes our progress. Amanda has written for The Atlantic, Time magazine, Slate and the Wall Street Journal and is the author of *The Smartest Kids in the World: And How They Got That Way*.

CCL Canada January 2019 actions at a glance:

Using the accompanying planning sheets, set your 2019 goals and plans for relationship building with your local Parliamentarians, media and community.

1. **CCL Ontario Actions:** Join the CCL Ontario Group in CCL Community AND help us plan for a March 2019 event at Queens Park. Ask for the Ontario government to support carbon pricing for by January 28 https://ero.ontario.ca/notice/013-4208
2. **Online Warriors:**
   Take Government of Canada Budget survey here. Not much on climate though. You do it so they keep sending you updates https://www.budget.gc.ca/2019/prebudget-prebudgetaire/index-en.html
   Please sign and share the online petition to save the office of the Environmental Commissioner of Ontario https://ontarionature.good.do/peopleandenvironment/support/
3. Please note the Laser Talks this month focus on carbon pricing and competitiveness.
4. **Special Request:** If CCLers want to conduct a regional lobbying events in 2019 under the umbrella of CCL it needs to be insured and we need to know at least two months in advance.

	Date and Time	Call Options
Canada: All CCLers welcome. We check in with each other, share field reports, and go over monthly actions.	Option 1: **Thurs, Jan 10, 2019** at 6 pm PT/ 9 pm ET Option 2: **Fri, Jan 11, 2019** Cancelled – FFF Strike Option 3: **Mon, Jan 15, 2019** at 6 pm PT/ 9 pm ET Just pick 1 to attend. Sign this doodler to RSVP.	Uberconference Line (1-888-570-6238) or log in online for free.
International: January 2019 Guest: Amanda Ripley, journalist (See above)	**Sat, Jan 12, 2018** at 10 am PT/ 1 pm ET	Zoom Room 2017201717 or call +1 877.369.0926, meeting code: 2017 2017 17
Canada Education Call:	**TBA -**	Zoom Room 3920795005 or call +1 877.369.0926, meeting code: 3920 7950 05

ACTION 1: Set your 2019 Goals and Plans

Why: Social science research continues to highlight there are several key factors that help support anyone's interest in getting more involved with an organization they care about: setting specific and measurable short-term and "stretch" goals, having a support system to help you achieve them, and celebrating our accomplishments together. This is the 9th year CCL Canadians have received these instructions in January to plan for the year.

Materials: 2019 Planning Sheets (attached in the email with these actions sheets) for everyone, pencils, pens and perhaps even markers, Post It Notes and/or flip chart paper. As 2019 begins, let's take a moment to celebrate the successes and set our sights on the goals we wish to accomplish in the coming year.

- Have members share personal, group or national CCL accomplishments since 2010. If you are unaware of how far we have come check Appendix I and Appendix II.
- Building on those successes, take a few minutes for members to look over the 2019 planning sheets and decide group goals for the coming year.
- Using the group planning sheets, set goals your group would like to accomplish in 2019.
- Assign someone to be the recording secretary and keep track of the key ideas and then email everyone afterwards your group's plans. Alternatively, you can put it in a google doc and share it.
- Agree on a timeline, perhaps quarterly, to review your group's goals and the progress toward achieving those goals.

NOTE: A very important task in the sheets is to register at OpenParliament.ca to receive updates when your MP speaks in Parliament. All politics is local. Your social capital in your riding is immeasurable. We are betting the ranch on you and your groups in your ridings holding the ground we have gained and hopefully advancing it in 2019.

LASER TALKS: CARBON PRICING & COMPETITIVENESS

Why CCL Advocates for Border Carbon Adjustments

Imagine Canada 10 years from now with a much higher and comprehensive carbon price. Without complementary measures, industries, such as cement and steel, among others, may be at risk of leaving Canada. Business and industries that have a high carbon footprint and/or rely heavily on exports are identified as **emissions-intensive and trade-exposed (EITE)** businesses.

When carbon pollution just moves to another part of the world, that movement is called **"offshoring"** or more specifically, **"carbon leakage".**

As the Ecofiscal Commission reports, if **EITE** business decide to move to another country with a lower carbon price, Canada would lose economic activity, and the impact of our climate policy would be significantly reduced.

So as our carbon price rises, there is a risk of job loss, weakening of our climate policies and general pushback on carbon pricing from the **EITE** sector of our economy.

This is where there is a role **Border Carbon Adjustments (BCAs).** If, for example, Canadian steel is having trouble competing in the American market because of our higher carbon price, steel exporters would receive a rebate when they export to the US. Fossil fuel exports would not receive these rebates; BCAs would apply only to carbon intensive goods.

Carbon intensive goods coming into our country from countries without a carbon price would not receive a free ride. They would be subject to our carbon fee via an equivalent tariff. That would incentivize other countries to adopt an equivalent price on carbon and keep the revenues in their country.

According to the Carbon Tax Centre, BCAs allow us to move ahead with carbon pricing without waiting for our trading partners to catch up.

Are BCAs legal under free trade agreements? Maria Panezi, with the Centre for International Governance Innovation spoke on this issue at CCL Canada's 2016 Conference. Panezi believes BCAs can be designed to be compatible with the main World Trade Organization agreement – the General Agreement on Tarrifs and Trade (GATT). Ecofiscal cautions that BCAs could be held up in the courts even if properly designed.

CCL Canada's position is that BCAs should be included in the federal carbon price plan to level the playing field for domestic industries with international jurisdictions without a similar carbon price. This is a perfect time for the Canadian government to study BCAs – while our carbon price is still relatively low. And, that is why we submitted a request to the US-Canada Regulatory Cooperation Council in 2018 for BCAs to be studied.

Our Submission to US-Canada Regulatory Cooperation Council

From November 25, 2017, to January 8, 2018, the Government of Canada invited stakeholders to share their views on how to address regulatory differences between the US and Canada through the Regulatory Cooperation Council. In particular, Canadians were invited to comment on issues to be considered for future cooperation, including proposals to align existing regulatory systems, streamlining of unnecessary or duplicative procedures, and areas that will be impacted by new technologies, which are not yet regulated.

Our submission indicated that priority should be given to determining whether comprehensive and comparable carbon pricing in Canada and the U.S. can protect genuinely vulnerable firms or sectors while eliminating the need for support measures, some of which may already be in place, that increase the costs of GHG reductions to the economy.

Read our full submission here:
https://opencanada.blob.core.windows.net/opengovprod/resources/9678bff5-6820-459b-8406-da4d34d29921/citizens-climate-lobby_rcc-submission.txt?sr=b&sp=r&sig=OXQJMIOQK6yjxDMWKl754hIYf92W3r8jlUtYsHb/3WM%3D&sv=2015-07-08&se=2018-12-27T21%3A44%3A21Z

Why Output-Based Carbon Pricing is a Logical First Step

Since 2010, CCL has advocated for Border Carbon Adjustments (BCA) to help with competitiveness issues and carbon leakage when Canada imposes a carbon pricing policy. However Canada opted for output-based carbon pricing for emissions-intensive trade-exposed industries in the Greenhouse Gas Pollution Pricing Act.

- BCAs are tariffs thus perceived as protectionist and thus a rallying cry of a trade war
- Diplomatically speaking you would give your trading partners a couple years notice at least that they were coming
- BCAs are complicated to set-up and take time to pass through the World Trade approvals
- BCAs are thus a huge expenditure of political capital
- BCAs are not really necessary at carbon prices below $40. For example, British Columbia's carbon tax is at that price without BCAs.
- BCAs require a fully functioning carbon price which we don't have yet. Let's get the price first and not put the cart before the horse.

Output-based Pricing Systems

Only federal governments can enact border carbon adjustments (BCAs) and only if they have a fully functioning federal carbon price. Additionally, BCAs take time to set-up. Thus, while establishing a national carbon price Canadian companies have to maintain competitiveness and reduce carbon leakage without BCAs.

Canada has opted to use Output-based Pricing Systems (OBPSs) from 2019-2022 to get around this conundrum. OBPSs provide reduced carbon-pricing while encouraging leadership to regulated sectors and facilities to maintain competitiveness and minimize the risk of carbon leakage due to production moving to jurisdictions without carbon pricing. OBPSs matter most for sectors that are Emission-Intensive and Trade-Exposed (EITE). That is, they produce relatively large amounts of GHG emissions per unit of output, and they compete in highly traded markets, and competitiveness pressures.

OBPSs lowers emissions by making EITE sectors cleaner instead of smaller and offers industry a way to price carbon and reduce emissions in EITE sectors while the rest of the world catches up on carbon pricing. The intent of the OBPSs are to encourage meaningful GHG reductions by:
– Comparing facilities against their cohort of peers to encourage leaders.
– Sending a price signal to influence future investments.

It's best to think of output-based pricing in two steps. In the first step, companies pay the full carbon price on their GHG emissions. In the second step, the government returns some of the revenues to them as a subsidy. The overall result is that a high-emitting facility will pay a higher net carbon tax, and a low-emitting facility will pay a lower one.

CCL recommends that OBPSs should be temporary and ultimately replaced with border carbon adjustments.

REFERENCES
http://www.pembina.org/blog/output-based
https://www.alberta.ca/assets/documents/cci-oba-presentation-dec-2017.pdf
https://ecofiscal.ca/2017/05/24/explaining-output-based-allocations-obas/
https://www.canada.ca/en/services/environment/weather/climatechange/technical-paper-federal-carbon-pricing-backstop.html

APPENDIX I - ICYMI: A wrap up of 2018

G20 Peer Review of Fossil Fuel Subsidies

In February 2018, in collaboration with organizations within Climate Action Network Canada, our volunteers were given impeccable talking points and instructions in their monthly actions sheets. Then they sent over 700 letters to Parliament asking for the government to commit to peer-review of fossil fuel subsidies under the G20. In June, the government of Canada formally committed to the G-20 peer-review process.

Canada Enacts First Carbon Fee and Dividend Policy

On October 23, 2018, the government of Canada enacted the first carbon fee and dividend policy on the planet. While lobbying on Parliament Hill the week before, Senator Grant Mitchell, said to our national director, *"You are one of the most successful lobbying groups I have worked with because you are about to get what you lobbied for,"* and he graciously let us quote him.

Will Ireland Be Next?

On November 21, Eamon Ryan, Leader of the Green Party / Comhaontas Glás, debated fee and dividend in the Irish legislature. "Every cent raised would be returned equally to each citizen in a direct payment." Sound familiar? The best part is when Leo Varadkar, the Irish Prime Minister, agreed with him and talked about Canada's policy. Kudos and gratitude to Graham and the gang at CCL Ireland for bringing the talking points and literature about carbon fee and dividend to Ireland.

Eamon on Carbon Tax for Leaders' Questions

Or the USA?

In late November and then in early December bipartisan carbon fee and dividend bills were introduced in both the US House of Representatives (H.R. 7173) and US Senate (S. 3791), respectively. Have no doubt that our CCL friends south of the border often cite Canada when empowering fellow US citizens to embrace carbon fee and dividend. As of December 24, the Energy Innovation and Carbon Dividend is sponsored by 5 Republicans and 5 Democrats in the House of Representatives and Senators Flake (R-AZ) and Coons (D-DE) in the Senate.

Fridays For Future Comes to the Western Hemisphere

On November 2, 2018, CCL Sudbury member Sophia Mathur conducted possibly the first Friday For Future Climate Strike in the Western Hemisphere in solidarity with Greta Thunberg in Sweden who has been striking from school since August.

On Friday, December 7, 2018 youth in Victoria, Vancouver, Winnipeg, Sudbury, Kingston, Kitchener, Ottawa, and Fredericton conducted Fridays For Future strikes. Their actions made the CBC National on Friday, December 7, 2018, and Greta Thunberg tweeted her appreciation. CCL Canadians facilitated these actions and was the group behind the website that was created to support youth strikers.

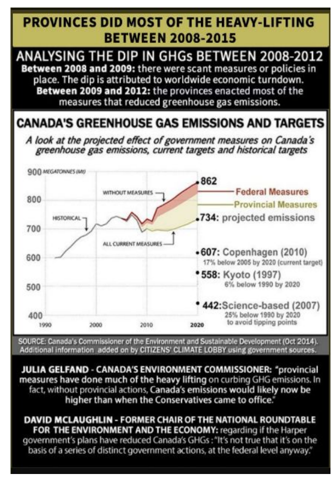
As Greta Thunberg said in her speech at COP24 on behalf of Climate Justice, "We have run out of excuses and we are running out of time. We have come here to let you know that change is coming, whether you like it or not. The real power belongs to the people. Thank you."

Canadian youth are gearing up to strike again in 2019. Follow their developments here.

APPENDIX II - History of Canada's Climate Action

Canada currently has highly insufficient climate commitments. And, we have the highest GHG footprint per capita in the G20.

Literally, in 2015, Canada finally began the hard work of developing a national plan to a low carbon future that includes so much more than carbon pricing. It is called the Pan-Canadian Framework on Clean Growth and Climate Change. And in the process of developing this plan was intensive public input. You would have to be asleep under a rock to have missed opportunities to give feedback.



PM Trudeau's government inherited the woefully inadequate GHG targets from the previous government and under PM Harper the provinces did most of the heavy lifting in reducing greenhouse gases between 2008 and 2015 (see the image to right).

As well, between 2008 and 2013 at the yearly UN climate negotiations, Canada was the most obstructive country. It was so bad that in 2013, Canada was awarded a Lifetime Unachievement Award from Climate Action Network International.

Canadians live in one of the richest countries the world has ever known. The climate crisis is really urgent, yet Canada, and especially Ontario, are not doing their part to solve this crisis.

Previously, only Pembroke MP Cheryl Gallant was against the world along with President Donald Trump in opposing the Paris climate commitments. Now Conservative Party of Canada will no longer commit to meeting even our woefully inadequate Paris climate commitments. Feel free to share this image on Facebook.

Thankfully, other countries around the world are moving forward. If Canada loses our carbon pricing policies and the clear market signals they are sending, Canada will lose out on the $26 trillion opportunity that awaits for jurisdictions with the right climate policies.

Carbon pricing is such an obvious solution that the Canadian Chamber of Commerce endorsed carbon pricing on December 15, 2018. Note, Moody's downgraded Ontario's credit rating recently.

Canada is now a world leader on carbon pricing

Did you know that Honourable Catherine McKenna is a graduate of the London School of Economics and is currently the High-Level Co-Chair to the Carbon Pricing Leadership Coalition too? This is a very good thing for Canada because we are being positioned to grab onto the $26 trillion clean tech opportunities that will be available between now and 2030.

On December 12, 2019, in a Nature editorial, Canada's carbon pricing policy was praised as a way of making carbon pricing more palatable to the taxpayer.

Frankly, civil society within CCL International, G7, G20, IPCC, COPs and We Don't Have Time has its eyes on Canada's carbon pricing policy.

Gratitude - Action is where hope resides

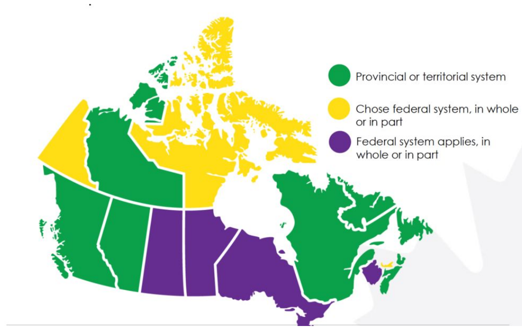
We are an action-oriented organization, not a think-tank. Humans have had 30 years of pep-talks and a deluge of climate facts. The time for talk and facts is long over. Bold and consistent actions by our volunteers over the last eight years have produced incredible results. Thank you, everyone, for daring greatly and being on the journey with us from me to we!

APPENDIX III - Canada's Federal Carbon Pricing Policy - Talking Points

December 2018

What is the Federal Carbon Pricing Policy?

- Starting in January 2019 a federal carbon price will apply to all provinces without their own carbon pricing plan. It is considered a "backstop" because it ensures that carbon pricing will apply consistently across the country.



Source: [Ecofiscal explainer on carbon pricing backstop]

- The price starts at $20/tonne in 2019 and rises by $10 per year to $50/tonne by 2022.
- This pollution pricing policy is a form of CCL's 'fee and dividend'. All of the money will be returned to the province where it was collected. Ninety percent of the revenue will go directly to residents of the province in the form of an annual rebate cheque from the Federal government, while the other 10% will provide assistance to small and medium-sized businesses, schools, hospitals and other organizations.

How Does it Work?

- In provinces where the federal carbon pricing backstop is put into effect, a carbon price will be applied to fuel producers and importers including gasoline, natural gas, aviation fuel and coal. It is expected the cost will be passed onto consumers via higher electricity and heating bills, increase in transportation costs from the gasoline surcharge, and an increase in the cost of consumer goods.
- To protect consumers from the higher costs, 90% of the revenue will go to residents of those provinces in the form of a rebate cheque. Larger households get a bigger rebate, and rural households also get a slightly bigger rebate. It is expected that 70% of residents will get more money back in the rebate than they pay for increased costs.
- The remaining 10% of revenue will provide support for municipalities, universities, schools, hospitals, indigenous communities, and small and medium-sized businesses (details still to come).

- The policy corrects the market failure that makes fossil fuels artificially cheap and profitable while imposing significant costs on the environment. This levels the playing field and allows consumers to make energy choices based on their true costs.
- The policy reduces greenhouse gas emissions by increasing the cost of carbon-intensive products so that we use less and so that less-polluting options become the better financial choice. A predictable rising price on carbon pollution spurs innovation and investment in clean tech. Most global economists, including this year's Nobel prize winners, agree pricing carbon is the cheapest, most effective and least heavy-handed way for the government to reduce carbon dioxide emissions.

Common Questions and Answers:

- **Why return revenues to families and not spend on green projects?**

Rebates to families protect family budgets, free households to make independent choices about their energy usage, spur innovation and build aggregate demand for low-carbon products at the consumer level.

- **If we get all the money back, why will we change our habits?**

The amount of money received does not depend on income or personal emissions. Each resident of the province receives an equal rebate back from the carbon price revenue (called Climate Action Incentive). If you also choose to use less fossil fuel, your overall savings will be even bigger.

- **What about people who have no choice but to drive and heat their houses?**

If there's nothing you can do, the program is designed to ensure that you will be no worse off as they will be sending you a rebate. That said, there's typically at least small changes that most people can make. For example, switching to a more fuel efficient car can be expensive, but perhaps you can carpool or take transit to work or school. Or, perhaps you can set your thermostat slightly lower or add weather-stripping to your doors or windows to seal out the cold in winter. You can also take advantage of government and utility programs that provide incentives for energy retrofits and Electric Vehicles.

- **Why are some big companies getting a break on carbon prices?**

Some large emitters are being regulated under a separate system (called "output-based pricing system") because they export carbon-intensive products and the government is trying not to put them at a disadvantage in international markets. This will avoid companies moving jobs and pollution to other jurisdictions that don't have carbon pricing. CCL recommends that this program be temporary and eventually be replaced with Border Carbon Adjustments as more countries price carbon.

Sources for Additional Information:

- Carbon dividend FAQs
- Technical backgrounder
- Global News: Is a Carbon Tax Canada's best option to help the environment?
- Global News: Confused about Carbon Taxes and Rebates? Here's what you need to know