

# Citizens' Climate Lobby Request to Queen's Park– October 2018

*Citizens' Climate Lobby's recommendation is that the Ontario legislature should phase out cap and trade by 2021 while phasing in carbon fee and dividend.*

Since 2010, Citizens' Climate Lobby Canada has been advocating for carbon fee and dividend: an incrementally rising price on carbon pollution where 100% of the fees collected are returned to citizens. In Canada, carbon fee and dividend is also championed by [Clean Prosperity](#) and has been endorsed by the PostMedia Editorial board in September 2017 in their syndicated editorial "Here's how to make carbon pricing honest". In September 2018, Clean Prosperity recently released [a study](#) that found the vast majority of Ontarians would come ahead under a carbon fee and dividend policy.

In the USA, Shell Oil, General Motors and other big corporations are the founding corporate members of the [Climate Leadership Council](#). They are a policy institute that is actively lobbying Congress in the USA to pass carbon fee and dividend legislation. A June 2018 [study](#) found that their [Carbon Dividends Plan](#) would achieve more than triple the emissions reductions of all Obama-era climate regulations, and could exceed the high end of the U.S. Paris Commitment. The Carbon Dividends Plan also has [a well-funded political action committee](#).

Globally, 20% of emissions are now covered by a carbon price - including [45 national carbon](#) pricing policies.

What business and industry requires for long-term business planning is clarity of purpose as to the future direction of climate policies. Thus, if Ontario is truly open for business, we need policy persistence for the dealing with the climate crisis.

Carbon fee and dividend could be that policy. Carbon fee and dividend is a policy where all sides win. It will appeal to a broad spectrum of Canadians, whether they support small government, free markets, strong environmental policy, or expanded government benefits. Thus, carbon fee and dividend has built-in policy persistence.

The first compliance period for Ontario's cap and trade program ends December 2020. This a logical time to end the program and bring in carbon fee and dividend.

Carbon fee and dividend in Ontario would work as follows:





- A fee is placed on carbon-based fuels at the source (well, mine or port of entry)
- The fee is increased at a pace that motivates the emissions reductions necessary to avoid catastrophic consequences
- Protect low and middle income households from increased energy costs associated with the carbon fee by returning 100% of the dividends collected by back to Ontarians.
- A predictably increasing carbon price will send a clear market signal which will unleash entrepreneurs and investors in the new clean-energy economy.
- To prevent offshoring of carbon emissions, especially as the carbon fee rises, Canada's federation of provinces and territories would work with the federal government to enact border carbon adjustments.

Furthermore, as is our right under the Ontario Bill of Rights, we demand to always have the right to open and public consultation with regards to changes environmental legislation. As well, we ask that the Government eliminate over \$600 million in fossil fuel subsidies. Finally, we need legally binding greenhouse gas targets, transparent progress reporting and cross-party cooperation. Please use the United Kingdom's Climate Change Act (2008) as a model which is the recommendation of Ontario's Environment Commissioner in:

[Climate Action in Ontario: What's Next?](#)

# Citizens' Climate Lobby





## How Carbon Fee and Dividend Works

 <p>The government levies an incrementally increasing fee on the carbon content of fossil fuels at the source</p>	 <p>100% of the money collected is given to the people on an equal basis in a cheque to help with price increases</p>	 <p><b>ECONOMICS 101</b> Costs are passed onto consumers and they consume less carbon. CO2 emissions go down ↓</p>	 <p><b>MARKET SOLUTION</b> The predictable price on carbon spurs clean tech investment &amp; innovation. CO2 emissions go down ↓</p>
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## Why we prefer a revenue neutral carbon fee

 <p><b>HELPS FAMILIES</b> A 100% rebate will protect the poor and middle class</p>	 <p><b>NON PARTISAN</b> MPs and premiers whose base do not like tax increases can still vote the right way</p>	 <p><b>MARKET SOLUTION</b> Efficient &amp; direct market signal. Thus government does not pick the energy winners &amp; losers</p>	 <p><b>RAMPING UP</b> To maintain public support to stabilize CO2 emissions, citizens will need a significant dividend.</p>
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## Carbon Fee and Dividend Helps Ordinary Families

 <p>The government puts an incrementally increasing fee on the carbon content of fossil fuels at the source</p>	 <p>100% of the fees are given to Ontarians on an equal basis regardless of their carbon footprint</p>	 <p><b>REDUCE INEQUALITY</b> The poor are more carbon virtuous inherently. The top 1% of earners consume 6X as much CO2 as the bottom 10%.</p>	 <p><b>PROGRESSIVE TAX</b> Our policy would discourage destructive consumptive habits and reward good consumer choices.</p>
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Find out more at [canada.citizensclimatelobby.org](http://canada.citizensclimatelobby.org)

A study commissioned by **Canadians for Clean Prosperity** shows that the vast majority of households, regardless of income level, would receive more money in the form of carbon dividend cheques than they would pay in carbon taxes, should the federal government introduce carbon dividends in those provinces in which it brings in its carbon tax “backstop” starting in 2019.

## Alberta 2020

## Saskatchewan 2020

## Ontario 2020

Household income	What you pay/yr Average household	What you get/yr Average household	What you save/yr Average household
\$20K or less	\$310	\$1,268	<b>+\$958</b>
\$20K - \$40K	\$379	\$1,268	<b>+\$889</b>
\$40K - \$60K	\$435	\$1,268	<b>+\$833</b>
\$60K - \$80K	\$451	\$1,268	<b>+\$817</b>
\$80K - \$100K	\$495	\$1,268	<b>+\$773</b>
\$100K - \$150K	\$542	\$1,268	<b>+\$726</b>
\$150K or more	\$602	\$1,268	<b>+\$666</b>

Higher income households tend to emit more carbon than lower income households.

All households receive an equal Carbon Dividend.

What you pay may differ from the average household depending on your consumption choices.

Household income	What you pay/yr Average household	What you get/yr Average household	What you save/yr Average household
\$20K or less	\$351	\$1,567	<b>+\$1216</b>
\$20K - \$40K	\$356	\$1,567	<b>+\$1211</b>
\$40K - \$60K	\$422	\$1,567	<b>+\$1145</b>
\$60K - \$80K	\$468	\$1,567	<b>+\$1099</b>
\$80K - \$100K	\$514	\$1,567	<b>+\$1053</b>
\$100K - \$150K	\$561	\$1,567	<b>+\$1006</b>
\$150K or more	\$648	\$1,567	<b>+\$919</b>

Higher income households tend to emit more carbon than lower income households.

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What you pay may differ from the average household depending on your consumption choices.

Household income	What you pay/yr Average household	What you get/yr Average household	What you save/yr Average household
\$20K or less	\$222	\$517	<b>+\$295</b>
\$20K - \$40K	\$258	\$517	<b>+\$259</b>
\$40K - \$60K	\$317	\$517	<b>+\$200</b>
\$60K - \$80K	\$340	\$517	<b>+\$177</b>
\$80K - \$100K	\$391	\$517	<b>+\$127</b>
\$100K - \$150K	\$446	\$517	<b>+\$71</b>
\$150K or more	\$501	\$517	<b>+\$16</b>

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<https://www.carbon-dividends.ca/>