

March 29, 2016  
(signatories updated April 8, 2016)

The Honourable Christy Clark, MLA  
Premier of the Province of British Columbia  
Box 9041  
Station PROV GOVT  
Victoria, B.C. V8W 9E1

Dear Premier,

As businesses representing the diversity of B.C.'s economy, we write to you in support of the Climate Leadership Team's recommendation to begin increasing the carbon tax by \$10 per tonne per year in July 2018.<sup>1</sup> The province's carbon tax has been widely praised as an effective climate policy because of its ability to reduce carbon pollution, increase innovation, and support economic growth.

We also support the Team's recommendations to use incremental carbon tax revenue to reduce other taxes; support vulnerable British Columbians; maintain the competitiveness of our emission-intensive, trade-exposed sectors;<sup>2</sup> and invest in innovation and climate solutions. The combined fiscal package finds a good balance between economic, environmental, and social objectives.

These decisions should be finalized this spring as part of the Climate Leadership Plan. Communicating the decisions early will give businesses and British Columbians time to plan and figure out the solutions that make the most sense for them.

Here are three key reasons we support next steps on the carbon tax:

1. **B.C.'s economy will benefit.** During the first phase of B.C.'s carbon tax, the province's economic growth outperformed the rest of the country, and studies that examined B.C.'s carbon tax in detail found no impact on economic growth.<sup>3,4</sup> According to the Climate Leadership Team's report, B.C.'s GDP will grow by an average of 2.1% per year under the Team's recommendations, with growth distributed across the economy. There are also less quantifiable benefits. Having B.C. recognized as part of the solution to climate change helps attract good people and companies to the province — we can't afford to lose that advantage.
2. **B.C.'s clean energy and clean tech businesses will thrive.** As of 2014, over 68,000 British Columbians were working in clean economy jobs — up 12.5% from 2010.<sup>5</sup> Those people work in businesses that supply renewable energy, help improve energy efficiency, and develop a host of other clean energy and climate change solutions. These businesses serve domestic and international markets, and they work in partnership with universities, local governments, and First Nations around the province. They are well positioned to help B.C. continue its transition to a clean energy economy, and help meet a rapidly growing global demand for those solutions.
3. **B.C.'s businesses will be better partners in reducing carbon pollution.** Close to one-third of B.C.'s carbon pollution is under the direct control of the province's 170,000 small and medium-sized businesses, which employ more than one million people.<sup>6</sup> We are part of the solution when we work in energy efficient buildings, drive cleaner vehicles and reduce waste. Strengthening the carbon tax in conjunction with incentives like a tax credit will encourage businesses to accelerate investment in solutions like training, technology, retrofitting and improved processes.<sup>7</sup>

In 2008, the Climate Action Plan — with the carbon tax as its central pillar — helped move the province's economy ahead, it helped boost the province's reputation and it helped the environment. Taking the next steps on the carbon tax as part of the Climate Leadership Plan is an opportunity to build on those initial successes, and it is an opportunity we must seize as a province.

Sincerely,

1660 East Broadway Holdings Ltd  
275 Lansdowne Street Ltd  
3106 Cambie Street Ltd  
977 Fort Street Ltd  
Acme Systemic Results  
Acuere Consulting Inc.  
AdapTech Solutions Ltd.  
Aeolis Wind Power  
Alca Consulting Inc.  
Altaqua Hydroenergy Corp  
Alterra Power Corp.  
ARYZTA Canada  
ATD Waste Systems Inc.  
Avalon Mechanical Consultants Ltd.  
Avid Consulting Group Ltd.  
B. Small Enterprises Ltd  
Bandidas Taqueria  
BC Bioenergy Network  
Bear Claw Lodge  
Blue Fuel Energy  
Bluefin Electric Marine Inc.  
Board of Change  
Boldt Communications Inc.  
Boralex  
Bruce Haden Architect Ltd.  
Bullfrog Power  
Canada Ticket Inc.  
Canadian Electric Vehicles ltd  
Canadian Hydrogen and Fuel Cell Association  
Carbon Engineering  
Carbon Free Group  
Cascadia Instrumentation Inc.  
Chinook Power Corp.  
Clean and Green Carpets  
Clean Energy BC  
Climate Smart Businesses Inc.  
Communities + Architecture Inc.  
Compass Resource Management  
Conversations for Responsible Economic Development  
Dageraad Brewing  
Dakota Projects Ltd  
Dawn Chorus Bed & Breakfast  
Demand Side Energy  
DL Safety Consulting Ltd.  
DMC Associates  
Dovetail Consulting Group  
Dudoc Vancouver  
Duvon Holdings Ltd

Dysco Services Ltd.  
E-Factor Engineering, Incorporated  
Eagle Wing Tours  
Earthvoice Strategies Inc.  
EasySun Powergrids Inc.  
Ebbwater Consulting  
eco-Options Energy Cooperative  
Ecofish Research  
Ecotrust Canada Capital  
Emergent Waste Solutions Inc.  
Energy Revolution Services  
EnerSys Analytics Inc.  
EnviroMez Services  
ESSA Technologies Ltd.  
Etalim Inc  
Ethical Bean Coffee  
Fairware  
False Creek Collision  
Farallon Consultants Limited  
Fenix Energy  
Festival Cinemas Ltd.  
Focal Engineering Inc.  
GeaZone  
Ghost Films Inc.  
Global Unicycle Creative Inc  
Green Chamber of Commerce BC  
Green Sky Sustainability Consulting Inc.  
Greenworx Consulting  
Growing City  
GrowOya.com  
GW Solutions  
Harvey McKinnon Associates  
HASTE Worker's Cooperative  
Hemlock Printers Ltd.  
Hydrogen Technology & Energy Corporation  
Inland Comfort Air Conditioning Ltd.  
Innergex Renewable Energy Inc.  
Integral Group  
International Web Express  
Inventys Thermal Technologies Inc.  
James Glave Communications  
Jinzi Investments Ltd.  
Julian Griggs & Associates Ltd  
Kambo Green Solutions Inc.  
Kisik Aerial Survey  
Kispiox Fishing Company  
Kispiox Valley Ventures  
Kootenay Country Store Co-operative  
Kumu Agency  
Lanefab Design / Build  
Light House Sustainable Building Centre  
Liquid Elements Contracting

Mazzi Consulting Services  
McCullough Coach Lines Ltd.  
MediData Design Inc.  
Mills Office Productivity  
MK Ince & Associates  
Modo Car Coop  
Mountain Equipment Co-op (MEC)  
Murray McFadden MD Inc  
MyKiss Guiding Services  
Naikun Wind Energy Group  
NEI Investments  
Nexterra  
Northwest Hydraulic Consultants Ltd.  
Novex Delivery Solutions  
Perkins+Will  
Pinna Sustainability  
Praxispoint Consulting Group  
Pure Industrial Real Estate Trust  
PW Trenchless Construction Inc.  
Rangate North Woodworking Solutions Inc.  
RDC Fine Homes  
RE Consulting Canada  
Realize Strategies Co-operative  
Recollective Consulting  
Recycling Alternative  
REDE ENERGY SOLUTIONS, LTD  
Reeve Consulting  
Reliable Controls Corporation  
Renewable Power Corp.  
Renewal Funds  
Responsible Investment Association  
S2G Biochemicals  
Salt Spring Consulting Ltd  
Schein Foundation  
Sea Breeze Power Corp.  
Sensible Building Science  
SES Consulting  
SFU Community Trust  
Sharp Six Services  
Shift Delivery  
Spa Utopia Health and Wellness centre  
space2place  
SPUD.ca  
Starr Schein Enterprises Incorporated  
Stone Event Imports, Ltd.  
Strandberg Consulting Inc.  
Strathcona Business Improvement Association  
Sun Bright Solar Inc.  
Super Grocer & Pharmacy  
Sustainability Solutions Group  
Sustainability Ventures  
Swift Creek Consulting

Swiss Solar Tech Ltd.  
Switch Materials Inc.  
The Cleaning Solution  
The Kerrisdale Lumber Company  
Transom Enterprises  
Travesia Partners  
Umbrella Property Services  
Vancouver Economic Commission  
Vancouver Renewable Energy  
Vanterre Projects Corp  
VeloMetro Mobility Inc.  
Walas Concepts  
WEBIR Automation and Control Services Ltd  
Westpark Electric Ltd.

cc: Minister of Community, Sport and Cultural Development Peter Fassbender  
Minister of Energy and Mines Bill Bennett  
Minister of Environment Mary Polak  
Minister of Finance Mike de Jong  
Minister of Jobs, Tourism and Skills Training Shirley Bond  
Minister of Natural Gas Development Rich Coleman  
Minister of Transportation and Infrastructure Todd Stone  
Parliamentary Secretary Jordan Sturdy

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<sup>1</sup> The Climate Leadership Team's recommendations are available here: [bit.ly/1OvykvE](http://bit.ly/1OvykvE). The Team recommended that the annual \$10 per tonne increases continue for five years, at which point it would be reviewed. The rate schedule was selected because it helped achieve the economic, social and environmental components of the Team's mandate.

<sup>2</sup> The recommendation to use a portion of carbon tax revenue to maintain the competitiveness of emissions-intensive, trade-exposed sectors was only intended for situations when those sectors were at an economic disadvantage because B.C.'s climate policy was stronger than its competitors. Furthermore, any support for those sectors was supposed to be designed in a way to avoid undermining the incentive to reduce carbon pollution.

<sup>3</sup> Stewart Elgie, "Just the facts: Did the carbon tax shift burden or buoy B.C.'s economy?," *Sustainable Prosperity*, July 9, 2014. [bit.ly/21G6t1R](http://bit.ly/21G6t1R)

<sup>4</sup> Brian C. Murray and Nicolas Rivers, *B.C.'s Revenue Neutral Carbon Tax: A Review of the Latest "Grand Experiment" in Environmental Policy* (Sustainable Prosperity, 2015). [bit.ly/1dA74Ou](http://bit.ly/1dA74Ou)

<sup>5</sup> Pacific Coast Collaborative, *West Coast Clean Economy: 2010-2014 Jobs Update* (2015). <http://bit.ly/1PZ6vyS>

<sup>6</sup> Climate Smart calculations based on B.C.'s Community Energy and Emissions Inventory (2012), Statistics Canada's Canadian Business Counts (2015), and ICBC vehicle counts.

<sup>7</sup> Research conducted by the SFU School for Public Policy for Climate Smart, showed that targeted incentives like an investment tax credit could help small and medium businesses cut their carbon pollution. In a November 2, 2015 letter to Minister of Environment Mary Polak, Climate Smart provided analysis of the potential impact of an investment tax credit. "If one third of them apply for the tax credits, preliminary estimates indicate B.C. could reduce carbon pollution by 1.2 million tonnes annually by 2020. This would yield annual operating savings to those businesses of half a billion dollars."