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The Honourable Perrin Beatty, P.C.
President and Chief Executive Officer
The Canadian Chamber of Commerce
360 Albert Street, Suite 420
Ottawa ON K1R 7X7

Dear Mr. Beatty:

Thank you for your letter of December 10, 2015, and enclosures, outlining the environmental and climate change issues that are included in the Canadian Chamber of Commerce's renewed national policy mandate.

In regard to transitioning to a low-carbon economy and advancing clean technology, the Government of Canada views tackling climate change not only as a challenge, but as an opportunity. Addressing climate change presents a chance to reduce greenhouse gas emissions and build a resilient, clean economy. The federal government recognizes the urgent need for action at all levels and will continue to provide national leadership and work together with its partners to address climate change, both domestically and internationally.

We recognize that transitioning to a resilient and low-carbon economy is necessary for Canada's prosperity and competitiveness. Effective action on climate change will help grow this country's economy, reduce emissions and generate well-paying, long-term jobs for Canadians. That is why the Government is proposing to invest \$2.9 billion over five years to address climate change mitigation and adaptation and air pollution issues through Budget 2016. This includes \$2 billion for the Low Carbon Economy Fund to materially reduce greenhouse gas emissions, and \$1 billion over four years to support clean technology. In addition, the Government of Canada is making significant investments in infrastructure (more than \$120 billion over 10 years), including green infrastructure and public transit.

With respect to expanded polystyrene and waste management, responsibility for waste management in Canada is shared among federal, provincial/territorial and municipal governments. The Government of Canada exercises a focused role related to waste management by applying its authorities under the *Canadian Environmental Protection Act, 1999*, to control the international and interprovincial movement of hazardous waste and hazardous recyclable materials, and the *Fisheries Act* for pollution prevention. The federal government is also responsible for waste management activities on federal lands.

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The Government of Canada is taking action with the Chemicals Management Plan to protect Canadians from chemicals that are harmful to human health or the environment. Certain compounds that are found in expanded polystyrene (Styrofoam), such as hexabromocyclododecane (HBCD) and perfluorooctanoic acid (PFOA), are among the substances being assessed and managed as part of the Plan. Environmental monitoring is also taking place to better understand the environmental fate and behavior of HBCD and PFOA, as well as to identify the risks associated with their use, and to determine the best way to manage these risks. More information on the Chemicals Management Plan is available at www.chemicalsubstanceschimiques.gc.ca.

We are working with provinces and territories to take action within their jurisdictions and through the Canadian Council of Ministers of the Environment to continuously improve Canada's record on reducing and recycling waste, including Styrofoam. Further details about the Council's initiatives can be found at www.ccme.ca/en/current_priorities/waste/index.html.

Provincial and territorial governments are responsible for approval, licensing and monitoring of waste management operations. As such, the Canadian Chamber of Commerce may wish to share its recommendations about Styrofoam reuse and remanufacture with them.

Regarding water, the Government of Canada is committed to working with key partners, including provinces, territories, municipalities, Indigenous Peoples and non-governmental organizations, to ensure that Canadians now, and for generations to come, have access to reliable and clean water resources.

Canada's freshwater is a precious resource that deserves protection and careful stewardship. The federal government will work with other orders of government to protect this country's freshwater using education, geomapping, watershed protection, and investments in the best wastewater treatment technologies. In addition, we will target priority areas, including protection of the Great Lakes, the St. Lawrence River Basin, and the Lake Winnipeg Basin.

Recognizing the importance of integrating scientific considerations into policy choices, the Government of Canada supports investments in scientific research. For example, we have committed to an examination of the implications of climate change on Arctic marine ecosystems.

With regard to climate change, Canada will continue to work with its partners to tackle this global issue. The Government of Canada played an active and constructive role in the international negotiations that led to the adoption of the

Paris Agreement—a new and effective global climate change agreement. On April 22, 2016, Canada officially signed the Paris Agreement and is taking action to ratify it by the end of the year. Recognizing that climate change often impacts those who are most vulnerable, the Government of Canada has pledged \$2.65 billion over five years, notably to help the poorest and most vulnerable countries adapt to climate change, deploy renewable energy technologies, and manage risks related to severe weather events.

Moving forward, the Government of Canada will push for global action to implement the Paris Agreement while seeking out opportunities to address climate change bilaterally or multilaterally, beginning with its North American partners. Through a March 2016 joint statement on climate, energy, and Arctic leadership, Canada and the United States agreed to strengthen bilateral engagement and undertake important new work on climate change. In particular, leaders outlined shared efforts to implement the Paris Agreement and work to regulate methane emissions, and they confirmed ongoing collaboration to address hydrofluorocarbons and emissions from heavy-duty vehicles.

Domestically, the Government of Canada is taking action to address climate change, including reducing emissions and adapting to impacts. During the first week of March 2016, Prime Minister Justin Trudeau met with premiers and Indigenous leaders in Vancouver to discuss the development of a pan-Canadian framework on clean growth and climate change. At this meeting, first ministers issued the Vancouver Declaration on Clean Growth and Climate Change. It outlined the next steps on climate action, including working groups to identify options for action in four areas: 1) clean technology, innovation and jobs; 2) carbon-pricing mechanisms; 3) actions to reduce greenhouse gas emissions; and 4) adaptation and climate resilience.

The Government of Canada recognizes that it cannot tackle climate change alone, which is why its plan will build on the efforts of provinces and territories, local governments, Indigenous organizations, businesses, youth, the academic community, and non-governmental organizations. To succeed, it is essential that provinces and territories, as well as all stakeholders, be fully engaged in developing Canada's approach. In terms of carbon pricing, Canada intends to build on provincial carbon-pricing mechanisms such as the revenue-neutral carbon tax in British Columbia, the cap-and-trade systems that are operating in Quebec and that are planned for Ontario and Manitoba, and the carbon-pricing system that was recently announced by Alberta.

The impacts of climate change are already being felt across the country, and climate preparedness and resilience are priorities for the Government of Canada. In this context, Budget 2016 proposes to provide \$129.5 million over five years

for programs focused on climate change adaptation. The Government is also investing \$40 million over five years to integrate climate resilience into building design guides and codes, as well as allocating \$75 million to the Federation of Canadian Municipalities, part of which will support climate-risk assessment and planning in communities. Taken together, these measures will reduce greenhouse gas emissions, enhance the lifecycle of public- and private-infrastructure projects, and ensure the long-term sustainability of Canadian communities.

I welcome the Canadian Chamber of Commerce's continued engagement as we work to address climate change and broader environmental challenges in Canada, including through the development of a pan-Canadian framework on clean growth and climate change. I encourage your organization to stay engaged in this work. To ensure that its input is taken into account in the development of this national approach to climate change and clean growth, I encourage you to visit www.canada.ca/climateaction to submit your ideas.

Please accept my best regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'C McKenna', with a stylized flourish at the end.

The Honourable Catherine McKenna, P.C., M.P.