

Sustainable Prosperity: New Report Shows Business Support for Carbon Pricing

- **Corporations and Investors Want Certainty Around Policy Critical to Investment Decisions**

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February 2, 2011 (OTTAWA, ON) - A Policy Brief released today by Canada's leading green economy think tank, **Sustainable Prosperity**, confirms that there is a great deal of support for a carbon pricing policy from Canada's energy and carbon intensive industries as businesses expect policy action on climate change. The report, ***Canadian Business Preference on Carbon Pricing*** also reveals new evidence that Canadian business preferences on climate policies are motivated by long-term risk management and investor concerns rather than cost-minimization.

Canadian Business Preference on Carbon Pricing points to a shift in business preferences between 2007 and 2009, toward the long-term certainty provided by a carbon pricing policy. That period saw a surge in public support for policy action in this area, and many businesses have as a result accepted the inevitability of such action. Given experience with command and control and voluntary measures, most of these businesses have stated a preference for the efficiency and effectiveness (and long-term certainty) that a carbon price can provide.

"Business is desperate for "rules of the road" when it comes to climate policy. Most businesses, in particular the carbon intensive sectors of our economy, know that policy action will come" said Alex Wood, Senior Director, Policy and Markets with Sustainable Prosperity. "What this work shows is that they prefer the efficiency and effectiveness of a carbon price over other options the government could consider."

Key findings of the report include:

1. As of 2009, Canadian business preferences, including that of heavy industry, was markedly in favour of carbon pricing over alternative approaches such as command and control, regulatory measures.
2. Current uncertainty surrounding federal climate change policy creates risk for business and threatens long-term risk management and planning.
3. When it comes to climate change policy, investor confidence and policy certainty are the main concern of corporate decision makers, not cost.

Business leaders from across Canada, including the Cement Association of Canada, Canadian Association of Petroleum Producers, Canadian Steel Producers Association and the Mining Association of Canada, were asked in a national qualitative survey to select their policy preferences from a full range of regulatory and market-based options. The SP Policy Brief is based on that information.

Full copies of the report *Canadian Business Preference on Carbon Pricing* are available on-line at www.sustainableprosperity.ca.

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