



Flatulence hits EU carbon plan

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Around the cafes in Paris, Brussels and Munich, patrons are laughing at the European Union's latest carbon tax rebate to the dairy industry.

A refund was offered to livestock operators who substantively reduced their greenhouse gas emissions (GHGs) by castrating their flatulent bulls.

It seems Pierre, a farmer in Burgundy, had cashed a cheque for his prized castrated stud, which subsequently fathered 54 calves.

So much for impotent bulls.

Like the Europeans, Canadian politicians tout the notion polluters must pay for the damage they cause. Voters like the idea and many support extra taxes on gasoline, electricity and other fuels to reduce their carbon footprints. They believe it's the government's role to set high standards (with a sliding scale targeting zero emissions) then impose taxes on any emitter exceeding these limits.

In 1991, Europe introduced carbon taxes. When energy producers emit a tonne of CO₂, the company chooses to pay a 100 Euro fine or sends a cheque for 100 Euros to a fund to develop new technologies and eliminate emissions (without reducing energy production).

It worked well in Denmark. The country reduced air pollution 15 to 20% due to its aggressive pursuit of wind power, steep taxes on coal-fired electricity, and a forceful marketing campaign to urge Danes to ride bicycles.

Other nations decided to tax polluters and refund the 100 Euros to consumers. Unfortunately, consumers became addicted to the refunds and failed to pressure companies to reduce the CO₂ releases.

Norway's emissions increased by 43%.

Elsewhere, policy makers turned carbon taxes into cash cows. They use the additional revenues from gasoline, home heating, power generation, cooking, and the refining of jet fuels as a way to fund pet projects, like universal day care, which fail to eliminate pollution.

Canada should adopt the Danish model and impose carbon taxes to fund new technologies. This research must reduce emissions and change polluters' behaviour (producers, manufacturers, and consumers). They must keep their fingers out of the technology funds.

If Canada truly wants to lead a green revolution, it needs to become a leader in energy efficient, clean technology. That's the easy part. The tough challenge is to bring the price down so green energy is cheaper than the cost of a barrel of crude or a tonne of coal and electricity comes from an emissions-free grid.



The Calgary Chamber of Commerce proposes a sensible and prudent approach to managing this transition from a carbon intensive to carbon smart world:

- Adopt an emissions-intensity target that balances environmental management and cost reduction.
- Price CO₂ at reasonable levels (similar to Alberta's \$15 a tonne) so businesses and consumers can adjust.
- Allocate carbon taxes into a technology fund in proportion to the industry and regions where they originated (Alberta emits 30% of emissions in Canada so these dollars should return to Alberta R&D).
- Partner with industry to undertake major research projects to reduce and eliminate pollution from production, distribution and usage of energy.
- Challenge the country to adopt energy efficiency as the gold standard for business and pleasure.
- Develop a national transit strategy.

The Chamber's vision is bold and exciting. If Canadians eliminate carbon emissions, revenues from those new technologies will preserve our standard of living.

Even better, this cost-effective green revolution would provide a framework for countries like China and India to also reduce their pollution.

Until the federal government imposes a universal carbon tax, Canadians are urged to eat more meat -- the easiest, tastiest solution to reducing (bovine) greenhouse gases.