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#9-1724 Quebec Avenue, Saskatoon, SK S7K 1V9

December 8, 2016

Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Re: NSBA Objection to the Proposed Carbon Taxing Initiative

Dear Prime Minister Trudeau,

The North Saskatoon Business Association (NSBA) is a member-driven and focused organization that serves, promotes, and protects business throughout Saskatoon and beyond. Although our origins and roots are in Saskatoon's north end, today we encompass far more than that. From its grassroots origins of a handful of businesses, today's NSBA consists of a membership in excess of 750 companies. Members range from single owner-operator proprietorships to large multinational corporations that employ thousands. Despite this diversity, there is a core element within the NSBA membership that is centered on industrial service and supply.

The members of the NSBA are extremely concerned about the proposed taxation on the production of carbon dioxide. This concept has never been shown to be able to actually lower greenhouse gas production; not surprising since about 80% of Canadian greenhouse gas production is by consumers through their individual choices and the actions they take. Carbon taxes will damage the economies of provinces such as Saskatchewan that, unlike Quebec and Ontario, do not have the geographical ability to develop large hydroelectric projects, which have significant greenhouse gas implications, or the size to easily justify nuclear energy.

The increasing Canadian imports of hydrocarbons from offshore by ship and the United States by pipeline will likely continue given the expected damage to competitiveness of Canadian energy resulting from the new Canadian carbon taxes. This is simply a transfer of economic activity out of our country. Those hydrocarbons imported by ship are coming from countries without Canada's high ethical, environmental, and safety standards. These ships burn the lowest grade fuels possible with essentially no environmental controls given their flags of convenience and lack standards on the high seas. The largest of the super tankers have emissions amounts similar to a coal-fired power plant. Replacing Canada's production with others who will become more competitive (no carbon taxes) will do nothing for net world emissions while simply transferring the greenhouse gas emissions from Canada to the countries from which we are importing.

This is of particular note given the results of the United States election and President-elect Trump's omission of carbon taxing in his platform. As part of the business community, the NSBA understands that organizations will move their operations to the geographic location with the best economic conditions for success. A Canadian carbon tax threatens, as long as other jurisdictions do not implement a similar tax, to drive business out of the country, thus damaging our overall economy. As Canada's

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largest trading partner and nearest geographic alternative, the United States, sans carbon tax, is likely

the first destination for any organization, business, or individual that fears or feels the squeeze of carbon taxation, particularly because these organizations could still continue to service Canadian customers from an American office.

Energy supply is vital to Canada's economy and a significant aspect of the economy of Canada from exploration through to development, transportation, and consumption including the associated resulting manufacturing, taxes paid, and employment across the country. Economic opportunities from western Canadian energy developments have been shown to benefit all regions of Canada.

More creative ways to lower greenhouse gases need to be developed and tailored to local conditions and jurisdictions. Raising the costs of Canadian energy while increasing imports will result in the export of jobs, taxes, and manufacturing opportunities from across the country. The directors and members of the North Saskatoon Business Association request the Federal Government to work more cooperatively with the Province of Saskatchewan and other jurisdictions to creatively address the greenhouse gas issue without reducing Canada's competitiveness.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Keith Moen', written in a cursive style.

Keith Moen
Executive Director

cc: Honourable Brad Wall, Premier of Saskatchewan
Honourable Jim Carr, Minister of Natural Resources
Honourable Ralph Goodale, Minister of Public Safety and Emergency Preparedness
Honourable Scott Moe, Saskatchewan Minister of Environment