

Canada gives big polluters a break on carbon levies

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Automakers, oil companies and steel producers in Canada lobbied to lower the amount big polluters and vulnerable firms will have to pay to emit CO₂

Canada is scaling back its planned carbon pricing scheme to curb greenhouse gas emissions after industry executives warned it would hurt

their international competitiveness, the office of the environment minister said Wednesday.

The government released a regulatory framework for [carbon emissions](#) in January, which was to take effect in 2019.

After private meetings with stakeholders last week, Ottawa proposed lowering how much big polluters and vulnerable firms or those facing stiff foreign competition will have to pay to emit CO₂.

Those that lobbied for the change include automakers, oil companies and steel producers that were recently slapped with protectionist US tariffs.

The new guidelines would allow some of these companies to pay a [carbon tax](#) on only 10 to 20 percent of their CO₂ emissions, down from a 30 percent benchmark.

The government, however, has not yet decided which firms will pay what rate.

The [carbon](#) levy itself will not change, starting at Can\$20 per ton in January and rising to Can\$50 in 2022.

"We need to take action to tackle climate change and we need to reduce emissions," said Environment Minister Catherine McKenna.

"Big polluters have to pay," she said. "But we have to do it in a smart way. I've always said the environment and economy go together, and we don't want to drive industry out of our country."

Under the federal plan, each province is allowed to create its own carbon pricing regime. The federal government would only impose its levy as a backstop to those that fall short of the federal carbon price.

Quebec province, for example, is a member of California's cap and trade market, while westernmost British Columbia has a carbon tax.

Earlier this month, Ontario quit the California cap and trade market and joined Saskatchewan in suing the [federal government](#) to try to block it from imposing its carbon tax on them.

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