



April 30, 2021

The Honourable Jonathan Wilkinson, P.C., M.P.
Minister of Environment and Climate Change
House of Commons
Ottawa, ON
K1A 0A6

ec.ministre-minister.ec@canada.ca

Re: Climate Action Incentive Fund

Dear Minister Wilkinson,

The Saskatchewan Chamber of Commerce (SCC) has represented the business community of this province since we began in 1920. We are committed to working with all levels of government to make this province a better place to live, work and invest. It is with this principle that we wish to engage with you on the next phase of carbon pricing and the effective use of those resources.

We appreciate your government's commitment that carbon tax monies collected here will be returned to Saskatchewan, with a promise of 6% of all carbon taxes allocated in a specific stream for small and medium-sized enterprises (SMEs). The Climate Action Incentive Fund (CAIF) program successfully accomplished this goal in their inaugural round of applications and was well subscribed. However, we are quite concerned about the pause of the program in late 2019 and the lack of any communications relating to the restart of the CAIF program.

The application period for the first, and only, round closed in late November of 2019. Based on the program's original projected revenues from this department, the estimated support to small and medium-sized businesses in Saskatchewan should be \$45 million for 2020-21 and \$60 million for 2021-22. From the first round of CAIF funding, the total funding approved in principle for Saskatchewan SMEs falls short of the funding allocation amount by about \$12 million. We assume the carbon revenues collected are simply being accrued since the CAIF program was paused. Therefore, there should be well over \$100 million in the account specifically for Saskatchewan SMEs that has not yet been returned nor has there been any announcement of a plan to return these funds.

The SCC requests that the monies that have been collected from Saskatchewan through the carbon tax be directed back to Saskatchewan SMEs as soon as possible.



We also request immediate contact with the officials responsible for CAIF given our active role in the design and promotion of the initial program and our role as the representative for Saskatchewan's business community. We have several ideas on how best to restart CAIF and look forward to collaborating with you on its rollout.

Thank you for your attention in this matter and the Saskatchewan Chamber of Commerce CEO Steve McLellan would be pleased to provide further comment.

Yours sincerely,

Original signed by

Monica Kreuger, Chair
Saskatchewan Chamber of Commerce

CC: The Honourable Jim Carr, Special Representative for the Prairies
Honourable Warren Kaeding, Saskatchewan Minister of Environment