



Council Member Motion

For the Committee of the Whole Meeting of October 12, 2017

To: Committee of the Whole **Date:** October 5, 2017
From: Mayor Helps, Councillors Loveday & Isitt
Subject: Holding Fossil Fuel Companies Responsible for Climate Change

BACKGROUND

Victoria faces a range of impacts from climate change—including sea-level rise, increased coastal erosion, prolonged summer drought, and increased winter precipitation. The City is required to consider these impacts in our infrastructure planning, construction and maintenance, as well as to reduce the impacts of such impacts on citizens of Victoria. The precise amount of increased costs due to the increase in work on infrastructure is not yet quantified, but Victoria is almost certainly already paying significantly increased costs due to climate change and those amounts will only increase.

Victoria Council is required to manage the funds raised through taxes in a fiscally prudent manner, and that requires us to examine whether other parties that have played a role in causing climate change should indemnify the City for a share of our local climate costs.

Fossil fuel companies have played a major role in the creation of climate change, making hundreds of billions of dollars in selling products which cause climate change. This is not to say that fossil fuel companies are solely to blame for climate change. Climate change is a societal problem and all segments of society – especially including fossil fuel companies – will need to pay their fair share.

The 20 largest fossil fuel companies have contributed – through their operations and products – to approximately 29.3% of greenhouse gases in the global atmosphere today. (As per the peer reviewed research of Richard Heede). Economic theory emphasizes that allowing corporations to profit financially from causing pollution while leaving it to taxpayers to pay for the impacts of the pollution creates an “externality” – a perverse economic incentive to keep polluting. This is why industries are generally expected to take “cradle to grave” responsibility for their products.

In the context of climate change, the separation of the profits of the fossil fuel economy from its costs have slowed transition to a sustainable economy, and created the impression that the fossil fuel industry continues to be a net wealth creator, even as our communities begin to pick up the costs of climate change. This will continue if not addressed.

A Climate Accountability Letter sent by Victoria to 20 fossil fuel companies would outline the types of costs that Victoria is incurring and expected to incur due to climate change, and demand that

the companies pay their fair share of those impacts. The Districts of Highlands and Saanich have both voted to send Climate Accountability Letters of this type.

Sending a Climate Accountability Letter is unlikely to, by itself, result in companies making payments to Victoria. However:

- It begins a broader public conversation that creates space for political and legal action by other levels of government and in international negotiations;
- Fossil fuel company shareholders and investors are likely to have questions about how the companies they invest in should respond to Victoria's assertion that they are owed a fair share of climate costs. Consequently, it invites a conversation within the companies; and
- It puts fossil fuel companies on notice that communities are seeking compensation for a fair share of climate impacts.

It is therefore recommended that Council request that the Mayor send, on behalf of Council, a Climate Accountability Letter to major fossil fuels companies.

RECOMMENDATION

That Council request that the Mayor, on behalf of Council, send a Climate Accountability Letter to major fossil fuel companies.

Respectfully submitted,



Mayor Helps



Councillor Loveday



Councillor Isitt

List of Attachments

Attachment 1: Climate Accountability Letters – An Introduction for Local Governments

Attachment 2: District of Highlands letter to Capital Regional District Board

Attachment 3: District of Highlands letter to major fossil fuel companies

Attachment 4: Accountability letter template

Attachment 5: Contact information for major fossil fuel companies