

Subject: Backgrounder on climate change & air pollution disclosure labels for gas pumps.
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Summary:

- Canadian environmental non-profit *Our Horizon* is asking governments to legislate climate change & air pollution risk disclosures or ‘warning labels’ for gas pump nozzles.
- The concept helps to close the ‘experiential gap’ between our use of fossil fuels and their impacts in order to create greater social impetus to address climate change.
- Federal and provincial governments are asked to legislate the concept. Municipal governments are also asked to legislate the concept or, at a minimum, pass a resolution in support of it.
- Legal report, video lecture, TEDx talk, and other resources are available at www.ourhorizon.org.

The Labels:

- 3” by 3” stickers on gas pump nozzles that are similar to tobacco warnings. Top half: image of a locally-relevant climate or air pollution impact. Bottom half: text that discloses the impact.
- Disclosure text includes: A heading with the word “Warning”, “Caution”, “Notice”, or “Information” in a large red or yellow font to draw attention. Below the heading, white lettering on a black background would read: “Use of fossil fuels contributes to climate change [or air pollution] which may cause [impact].” See “Appendix A” for sample designs.
- At the bottom of the label, there will be a link to a website hosted by government that provides tips to reduce fuel consumption, information on alternatives, incentives or rebates, etc.
- Cost is negligible: Stickers are pennies to print and the “nozzle talker” (a rubber sock that fits over standard gas pumps) retails for \$16. A municipality can require gasoline retailers to cover these costs.

Campaign Background:

- The concept was developed and launched by Toronto-based lawyer [Robert Shirkey](#) via the Canadian non-profit *Our Horizon* in early 2013.
- Lidstone & Company, a local government law firm, [reviewed](#) Our Horizon’s legal research for British Columbia municipalities and concluded: “In our opinion, a requirement to place labels on gas nozzles could be validly imposed pursuant to a municipality’s power to regulate business.”
- Dozens of municipal councils across Canada have passed resolutions to endorse the concept and call on other orders of government to implement it. For example, in Ontario, councils in Oakville (see “Appendix B”), Pickering, Waterloo, Kitchener, and Guelph have passed such resolutions.
- Municipal associations such as the Union of British Columbia Municipalities and the Association of Francophone Municipalities of New Brunswick have also passed similar resolutions.
- On November 16, 2015, the City of North Vancouver voted unanimously to mandate climate labels on gas pumps. It was a global first that made news around the world. Unfortunately, the final design was co-opted by industry (see “Industry response” below).
- San Francisco, Berkeley, Santa Monica, and Seattle are at all various stages of pursuing the idea.

- To disseminate the idea, *Our Horizon* developed a database of thousands of politicians' emails from around the world. With similar labels on tobacco packaging, the concept has been primed to go global. Canadian governments now have the opportunity to provide examples for the world to follow.

Analysis of Labelling Concept:

- A Universal Ecological Fund [report](#) finds that much of the public "*perceives climate change as abstract, distant, and even controversial.*" The labels make climate change more tangible, proximate, and communicate the science in a succinct, unambiguous, and impactful manner.
- The labels can be understood as a solution to several aspects of climate change that make it such an intractable problem to address:
 - ✓ Current moment bias: Psychologists demonstrate that we tend to prefer interests that are less significant and near in time relative to those that are more significant and experienced further in the future. This phenomenon is called the "current moment bias". The labels counteract this effect by bringing faraway consequences into the here and now. They connect cause with effect to build feedback and provide greater impetus for change.
 - ✓ Diffusion of responsibility: Social psychologists have shown that when responsibility is shared among many, we are less likely to act. The remedy is to make responsibility less diffuse. The placement of the label on the nozzle achieves this by taking a problem of diffuse origins and concentrating responsibility in the palm of one's hand. While it is a simple intervention, there is nothing like it that connects us to the impacts of our fossil fuel use in such a direct way.
 - ✓ Externalities: The labels are a qualitative approach to communicating externalities to market; what pricing mechanisms like carbon taxes and cap-and-trade seek to convey in a quantitative way (using dollars and cents), the labels communicate in a qualitative way (using images and text). Pricing is a deficient language for communicating hidden costs whereas the labels are not subject to the same limitations and actually make these costs visible. This latter approach also counteracts the justification of behaviour that can sometimes result from the implementation of pricing policies (e.g. see [daycare studies](#) where pricing lateness led to a justification and increase in behaviour that the policy actually sought to reduce).
 - ✓ The medium is the message: Information on climate change from newspapers, internet, television, radio, etc. is consumed in a passive manner and unavoidably presents the problem as distant or separate by virtue of the medium. By contrast, with the labelling proposal, the medium (i.e. the gas pump nozzle) is the message. Our approach engages the reader in a manner that transitions them from *passive observer* to *active participant*. This creates a social environment that is much more primed for reform.
 - ✓ Misinformation: Several oil companies are currently under investigation in other jurisdictions for misleading the public on climate change. There is evidence to suggest that the industry understood the risks of its products and either failed to disclose them or actively misinformed the public. According to a recent [Leger survey](#), "*40% of Canadians believe the science behind climate change is still unclear or unsettled*". A government mandated disclosure of risk (i.e. the labels) is the most appropriate remedy for industry's failure to disclose risk to end users.

Social Context:

- Discourse on climate change in Canada is largely focused upstream and understood as a problem of oil sands, pipelines, offshore drilling, shipping, etc. This 'distancing narrative' creates an

environment which may actually impede social impetus for change. Our consumer-facing intervention would help to balance this narrative.

- Well-to-wheel greenhouse gas analyses reveal that the vast majority of emissions in this sector come from end use (roughly 80% depending on the fuel source); emissions from extraction and processing pale in comparison to emissions from vehicle combustion. Our experience suggests the public believes the opposite to be true and Canada's upstream-focused discourse seems to support this point. Engaging the demand side of the equation would correct public perception, create greater social impetus for reform, and have the potential to drive change upstream.

Political Context:

- Pricing mechanisms like carbon taxes and cap-and-trade can be understood as government mandated offsets. While voluntary approaches, such as the option to buy an offset while purchasing a plane ticket relieves environmental concern for a prosocial consumer, mandatory offsets risk backlash from the average consumer absent that initial environmental concern. By priming for environmental concern, the labels create a consumer experience at the pump wherein the pricing mechanism's increase to the cost of gasoline acts as relief and the carbon policy becomes more acceptable to the public.
- There is potential for multi-partisan support as the concept has appeal across the political spectrum. For example, a government mandated disclosure of risk might be construed as an intervention that exists on the left side of the spectrum. However, the labels are non-prescriptive and merely convey externalities allowing markets to respond accordingly; they do not actually tell people what to do or limit individual choice. In this sense, the intervention can be understood as existing on the right side of the spectrum.

Impact:

- The New Economics Foundation, UK's leading think tank on behavioural economics, observes: *"Psychologists' theories on changing habits generally involve first unfreezing the subconscious action and raising it to a conscious level where we can consider the merits of alternative behaviours."*
- The inertia of the incumbent energy solution and market complacency do not drive reform. The labels overcome this by taking a habitual, automatic behaviour and de-normalizing it. Challenging the status quo in this way stimulates broader demand for alternative solutions and accelerates our transition off fossil fuels.
- The labelling concept helps to close the 'experiential gap' between our use of fossil fuels and their impacts in order to create greater social impetus to address the challenge. This, in turn, would result in both individual behavioural change and a shift in collective demand to which government and business will respond.

Will the Labels Work? Lessons from Tobacco:

- A comprehensive [meta study](#) on tobacco warnings commissioned by the European Union concludes: *"There is clear evidence that tobacco package health warnings increase consumers' knowledge about the health consequences of tobacco use and contribute to changing consumer's attitudes towards tobacco use as well as changing consumers' behaviour. They are also a critical element of an effective tobacco control policy."*
- Labels should be refreshed every two years to avoid the exhaustion or adaptation effect.

- Canada was the first jurisdiction in the world to implement pictorial tobacco warnings. Approximately 70 countries have since followed our example. Our leadership has saved lives. To the extent that Our Horizon's designs are evocative of tobacco labels, the idea has been 'cognitively primed' for global uptake.

Industry Response:

- At first the fossil fuel industry ignored our advocacy (e.g. no comment), then they mocked it (e.g. naïve), and then they argued against it (e.g. too costly, too much regulation). In the face of continued traction, the Canadian Fuels Association, the Canadian Independent Petroleum Marketers Association, and the Canadian Convenience Stores Association responded to our campaign by co-opting it and rolling out their own greenwashed designs.
- Instead of disclosures of risk, industry's designs feature "helpful tips" to save money on fuel by inflating your tires and maintaining your vehicle. These designs provide a false sense of comfort and delay the real conversation we need to have: how to transition away from fossil fuels. In failing to de-normalize our use of fossil fuels, industry's diversionary tactic further entrenches the status quo and contributes to market complacency.
- Industry spins our designs as being driven by blame, guilt, and negativity. To be clear, our labels are about transparency and merely disclose risks associated with a product to its end-users. Communicating hidden costs to consumers is a positive way to drive market change and this is precisely what the industry wishes to avoid.
- We caution governments not to support the fossil fuel industry's designs. Doing so would extend regulatory legitimacy to industry greenwash, backfire to reflect poorly on the government, and, most importantly, delay meaningful action on climate change.

Sample Talking Points for Politicians:

- "Many manufacturers of harmful products have a legal obligation to provide warnings or risk disclosures to consumers. *Here we have a product that's altering the chemistry of our planet. Why wouldn't it come with a warning label?*" (i.e. the non-label position is untenable / absurd).
- "Where else do fossil fuels flow right through the palm of your hand? If you're looking to de-normalize our use of fossil fuels, this is the perfect place for an intervention."
- "40% of Canadians believe the science behind climate change is still unsettled. The labels are a simple, inexpensive way to help us to connect the dots."
- "This isn't about making people feel guilty. This is about transparency, consumer protection, and connecting the dots. Businesses should be required to disclose such harms."
- "The problem isn't that that we're underinflating our tires, the problem is our use of fossil fuels. Industry is just trying to draw attention away from the actual problem. It's time to get real."
- "The labels are just information. We're not telling people what to do; people are still free to do what they want. It's a market-friendly, non-prescriptive intervention."
- "What will we tell our children if, in the face of the greatest challenge of our time, *we didn't even have the courage to put a simple sticker on a pump.*"
- "These labels are a catalyst for difficult but necessary conversations. We need to have the courage to honestly face our challenge. Doing so is the first step to confronting it in a meaningful way."

More Information:

Watch our lecture at www.ourhorizon.org or contact Robert Shirkey at robert@ourhorizon.org.

APPENDIX A – Sample designs with gas pump nozzle for context



Images courtesy of *Our Horizon*, www.ourhorizon.org

APPENDIX B – Oakville Council Resolution on Warning Labels for Gas Pumps



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July 24, 2015

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Ms. Indira Naidoo-Harris
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Subject: Retail Petroleum Products to Provide Warning Labels on Gas Pumps

At its meeting on July 20, 2015, Oakville Town Council approved the following resolution with respect to the subject item noted above:

WHEREAS the Town of Oakville supports the resolution adopted by West Vancouver regarding gas pump labelling with climate change warnings;

WHEREAS there is evidence that combustion of petroleum products such as gas and diesel in vehicle engines contributes to greenhouse gas emissions that affect natural systems in ways that are injurious to human health and the environment;

WHEREAS point-of-sale warning labels have been required for other consumables, such as tobacco products, which has effectively curbed use of harmful products;

WHEREAS the town considers the implementation of gas pump labelling a matter of federal and provincial government jurisdictions;

THEREFORE BE IT RESOLVED:

THAT the Town of Oakville requests that the federal and provincial governments take action to legislate all vendors of retail petroleum products in Canada to

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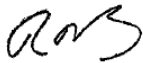
provide warning labels on all pump handles (pump talkers) and/or pump panels, and that those companies who do not have this feature on their pump handle be obligated to fit them with plastic sleeves which will allow warning labels to be displayed;

THAT the Mayor, on behalf of Council, forward a copy of this resolution requesting action to the Prime Minister of Canada, the Premier of Ontario, and local MPs and MPPs; and

THAT the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) be requested to support this initiative by bringing forward resolutions at their respective annual conferences in 2015 (AMO) and 2016 (FCM).

Should you have any questions regarding this matter or should you require any additional information, please contact Cindy Toth at 905-845-6601, extension 3299, or email cindy.toth@oakville.ca.

Yours truly,



Mayor Rob Burton
Head of Council and CEO

- c. Brock Carlton, Chief Executive Officer, Federation of Canadian Municipalities (FCM)
Pat Vanini, Executive Director, Association of Municipalities of Ontario (AMO)
C. Toth, Director of Environmental Policy, Town of Oakville