



THE PREMIER
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

March 11, 2024

The Right Honourable Justin Trudeau, P.C., M.P.
Office of the Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A2
Email: Justin.trudeau@parl.gc.ca

Dear Prime Minister,

Workers and families in Newfoundland and Labrador, throughout the country and indeed around the globe continue to face the most significant cost of living crisis in a generation. For the past two years now, Canadians have endured persistent and punishing inflation, coupled with the most aggressive upward interest rate trajectory in the history of the Bank of Canada.

In Newfoundland and Labrador, for the most vulnerable, it has been a particularly difficult time. After years of increasing living costs, there is a need to fully grasp and address the magnitude of inflation's effect on citizens, particularly those most in need.

The Government of Newfoundland and Labrador is deeply invested in environmental sustainability – we understand the imperative and are keenly attuned to the unique opportunity the need to decarbonize presents our resource rich province. Our plan for climate action has so far lowered our greenhouse gas emissions to 8.3 million tonnes a year – the lowest since 1992 and well below the 10 million tonnes per year average of the past decade. Right now, in collaboration with federal partners, we are providing funding of up to \$22,000 for eligible residents to switch their home from oil to electrical heating. We are receiving applications in record volumes - 2,140 applications submitted as of the end of February, with 1200 applicants currently having the work completed or are pre-approved to be completed. This underscores the remarkable interest in decarbonization efforts in our province. We have realized significant milestones in the transition to a lower carbon economy, but we know we need to do more and we are actively pursuing progress.

We are highly committed to the social and economic well-being of our people. We are prioritizing the needs of individuals facing financial hardships and working towards solutions that alleviate their burdens wherever possible. The Government of Newfoundland and Labrador has announced more than a half billion dollars in targeted short and long-term measures to help residents with affordability since March 2022, including increases to the income supplement and seniors' benefit, eliminating retail sales tax on personal property insurance, reducing the cost of

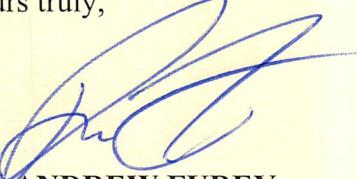
registering vehicles, providing free driver medicals for people 75 years of age and older, and extending the provincial tax reduction on gasoline and diesel until March 31, 2025.

The coming almost 25 percent increase (from \$65 to \$80 per tonne) in the federal carbon tax on April 1st is causing understandable worry as people consider how they will manage the mounting financial strain.

We ask for the collaboration of the federal government to address the ramifications of the current challenges families face and to not compound them. I respectfully request that you consider pausing the implementation of the April 1st carbon tax increase - at least until inflation stabilizes, interest rates lower and related economic pressures on the cost of living sufficiently cool.

I look forward to your response.

Yours truly,



DR. ANDREW FUREY

Premier

c.c. Honourable Siobhan Coady, Minister of Finance and President of Treasury Board