

April 9, 2020

The Honourable Dwight Ball  
Premier of Newfoundland Labrador  
Confederation Building, 8th Floor, East Block  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Dear Premier Ball,

On behalf of Newfoundland and Labrador's private sector business community, we write to express our shared position on the economic and fiscal impacts that stem from our collective response to the COVID-19 public health crisis.

We respect and support your government's efforts to contain the COVID-19 pandemic in our province. The steps we take now will have a dramatic impact on controlling the spread of this virus, shortening the effects of this pandemic, and saving lives. The health of our employees and community remains the number one priority for businesses at this time.

While we focus on containing the spread of COVID-19, we also need to ensure we are taking steps to protect our economy and the fiscal future of our province. This pandemic has had a devastating impact on many businesses operating in Newfoundland and Labrador. Despite announcements of federal support, many companies are still struggling to pay their bills with absolutely no revenue coming in. Some member businesses have stated they are mere weeks away from having no choice but to shut down operations permanently.

We recognize the dire fiscal position of the province and the limitations this places on your government's ability to provide financial relief to business. We are also very aware that anything government does now will have long term implications in the form of future debt and taxes. It is imperative that you make responsible spending decisions at this time. Your government must focus its efforts on resolving the province's immediate fiscal crisis and developing a long term plan for economic recovery.

There are things your government can do in the short term that will not cost the provincial treasury. Many businesses are struggling with liquidity concerns not addressed by the federal programs. Many others are not eligible for the federal wage subsidy in its current form. A demonstration of support from the provincial government would go a long way. Other provinces have acted on many of these measures. We respectfully suggest that your government demonstrate more robust public support for the business community at this time. The survival of provincial businesses and all the associated jobs and tax revenue is on the line. Your government must foster an environment of private-sector success and growth in our province during and after this crisis and help position the business community to drive our economic recovery when the time comes. To provide aid to business in the short term, we request that government:

- 1) Defer all business taxes and fees immediately, as other provinces have done. Provide repayment plans, so businesses are not faced with a massive burden all at once when activity resumes.

- 2) Direct WorkplaceNL to provide relief on worker's compensation premiums beyond just deferrals. Relief could come in the form of rebates, a short term rate drop, or forgiveness for businesses most impacted. While the province does not have the fiscal capacity to offer aid, WorkplaceNL is well funded. Employers have paid the highest worker's compensation premiums in the country for the last two decades. WorkplaceNL premiums provide the government with an opportunity to assist without impacting provincial finances.
- 3) Extend all permits and licenses, and reduce red tape to lessen the burden at this critical time.
- 4) Work with crown corps to encourage deferral of utility fees, municipalities to defer property taxes, and other areas where regulations could help to alleviate the short term burden on businesses at no cost to the government.
- 5) Introduce measures to facilitate and encourage dialogue between lenders, landlords and tenants on rental payments at a time when businesses are closed or marginally operating.
- 6) Make representation to the federal government in support of business associations to address eligibility issues with the federal wage subsidy to enable more NL firms to avail of this program.
- 7) Further encourage an internal culture of support and open communication to business from all government departments as we make our way through this crisis. Cooperation between business and government will ensure the continuation of our labour force, supply chains, and the economy to the benefit of all citizens.

From a longer-term perspective, you must do everything you can now to mitigate the impact of this situation on the provincial treasury and develop a plan to grow the economy once this crisis is over. We also ask that you:

- 1) Implement significant and immediate cost-saving measures (whether temporary or permanent) to reduce the impact of the pandemic and drop in oil prices on the provincial treasury.
- 2) Very carefully consider any new funding announcements made during this critical time in terms of their fiscal impact and long-term economic benefit, not just their immediate social benefit, given the province's limited resources.
- 3) Use this crisis as an opportunity to develop a long-term plan to restructure and modernize government service delivery to be sustainable, which includes health care reform. The use of technology, as recently implemented, is a good start. The allowance of more innovation and reform in health care delivery is vital to fiscal stability.
- 4) Develop a plan for an economic recovery that supports major industries and fosters growth once the pandemic subsides. That means: no increased tax burden; a stable fiscal situation to attract investment; reducing regulations and red tape; flexible and more nimble government operations; more accessible procurement; and appropriate investments in infrastructure, immigration, and support to industries with the most substantial economic impact.

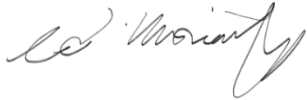
We hope that your government shares our goals of mitigating the impact of the pandemic on our fiscal and economic situation, communities and our citizens. Private sector businesses are a vital part of the community. This pandemic is an unprecedented and stressful time for everyone. We are here

to help and will support your government in making responsible decisions about our province's future. We need support and open communication between business and government so we can all come through this stronger.

Sincerely,



Richard Alexander, Executive Director, NL Employers' Council



Ed Moriarity, Executive Director, Mining Industry NL



Derek Butler, Executive Director, Association of Seafood Producers



David Haire, VP NL Division, Canadian Manufacturers and Exporters



Paul Preston, CEO, Newfoundland and Labrador Association of Technology and Innovation



Luc Erjavec, VP Atlantic Canada, Restaurants Canada



Craig Foley, CEO, Hospitality Newfoundland and Labrador



Rhonda Tulk-Lane, Acting CEO, St. John's Board of Trade

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal line.

Andrew J. Wadden, Chair, St. John's Board of Trade