

March 20, 2020

Dear Premier:

We are writing on behalf of Newfoundland and Labrador's Industry Associations, our sectors businesses and their employees regarding the government's response to date on the COVID-19 virus and how we can work together to support Newfoundlanders and Labradorians. Extreme times require extreme measures.

In the days ahead, there will be many more tough choices to be made by your government and governments across the country and indeed around the world. We are here to support you in these challenging times. At the same time, we need your support as companies begin to make their own tough decisions. Decisions about ensuring the health and safety of their employees and families while attempting to maintain employment, operations, supply chains, customer relationships, and most importantly, their liquidity to be able to recover after this crisis subsides.

The provincial goal of flattening the curve to minimize the impact of this crisis is essential for the health of Newfoundlanders and Labradorians and our economy. Based on input from our members, and on the experiences in Canada and other countries, we believe the following measures must be implemented to maintain personal and corporate liquidity during this period. These measures will increase confidence in the economy as much as possible and promote stability now and into the immediate future. Specifically, we recommend:

- Holiday from all payroll taxes for at least 60 days – specifically this would include the provincial workers compensation and health tax
- Defer all other taxes until revenue streams improve – specifically this would include property taxes, which are often due right now at the beginning of the fiscal year.
- Freeze all payments to government regulated utilities without penalties or interest for businesses, especially those deemed mandatory/critical
- Limit pension obligations of companies which could increase due to the stock market crash by delaying the valuations

The key baseline points are:

- Keep cash in the hands of companies – don't collect it only to give back to companies
- Keep people (critical/essential) working and off of social assistance of any kind for as long as possible
- Ensure liquidity to support the recovery from this crisis and flattening the economic curve

More broadly, we look to your continued assurances that businesses deemed essential will be treated as part of the critical infrastructure of the province and an asset for responding to this crisis and provide whatever support necessary for its continuing operations throughout this crisis.

Premier, you said this response requires a team NL approach and that if we work together, we can overcome anything. We agree and are ready to do our part to address these unprecedented times. These measures are essential to maintain business liquidity, to maintain payrolls, and to ensure a swift and orderly

recovery from this crisis. It is critical that the economic stability plan is detailed immediately to help companies plan and minimize impacts on their operations and their staff. We also recommend strong and swift communications/actions with the federal government and your peers in the other provinces on best practices regarding Covid-19 and leverage all potential resources.

If there is anything our organizations or our members can do to help, please do not hesitate to contact any of us directly.

Yours sincerely,



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Vice President Newfoundland & Labrador Division



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