

July 28, 2021

The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
Government of Canada
90 Elgin Street
Ottawa, ON
K1A 0G5

Dear Deputy Prime Minister:

Over the last eleven months, our governments have worked tirelessly to find solutions to address the unique fiscal challenges facing Newfoundland and Labrador. In particular, we have focused on alleviating concerns related to the Muskrat Falls Project and the serious impact it will have on our treasury and provincial ratepayers.

In my regular dialogue with you and the Prime Minister, as well as the Minister of Intergovernmental Affairs and the Minister of Natural Resources, all parties have been seized with the gravity and urgency of our situation.

I am pleased our governments have made monumental progress in our dialogue on the fiscal future of Newfoundland and Labrador. We are pleased to accept your commitment to make annual federal transfers to the Province of an amount equivalent to Canada's annual net revenue from the Hibernia Net Profit Interest (NPI) and Incidental Net Profit Interest (INPI) agreements, valued at \$3.2 billion. This historic agreement will enable Newfoundland and Labrador to achieve rate mitigation, and reinforces our governments' longstanding agreement that the Province is to be the principal beneficiary of offshore oil and gas development in the jointly managed offshore area.

Collaboration has been the hallmark of our intergovernmental relationship and on behalf of people of Newfoundland and Labrador, I want to acknowledge and thank the Government of Canada for its continued commitment and support to our Province.

Yours truly,

Original signed by

DR. ANDREW FUREY

Premier

Minister for Intergovernmental Affairs

cc. Honourable Siobhan Coady, Minister of Finance
Honourable Dominic LeBlanc, President of the Queen's Privy Council for Canada
and Minister of Intergovernmental Affairs
Honourable Seamus O'Regan, Minister of Natural Resources
Honourable Andrew Parsons, Minister of Industry, Energy and Technology