

April 12, 2024

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
Government of Canada
House of Commons Ottawa, Ontario K1A 0A6

The Honourable Rechie Valdez
Minister of Small Business
Government of Canada
House of Commons Ottawa, Ontario K1A 0A6

Dear Ministers Freeland and Valdez:

Small businesses serve as the lifeblood of innovation, resilience, and community prosperity. Their vitality is crucial to the economic health and growth of the Atlantic provinces and Canada as a whole. We know the federal government well-appreciates the essential role small businesses play in delivering the goods and services Canadians need and the role they play in achieving climate goals. Indeed, the contribution businesses make toward the federal government's overall carbon price revenues is considerable.

Atlantic Premiers are concerned about the federal government's approach to managing carbon tax rebates for small and medium-sized enterprises (SMEs) in our region. The federal government has recently confirmed that over \$2.5 billion in carbon tax revenues collected with the promise of being returned to businesses across Canada since 2019, remain undistributed. The delayed and incomplete distribution of these funds places an undue burden on businesses in our respective provinces. It is essential that these rebates are promptly delivered to all businesses subject to the federal carbon tax.

We request the federal government to take immediate action to ensure the return of the overdue carbon tax revenues to SMEs in the Atlantic provinces through a one-time rebate, recognizing the unique economic challenges faced by businesses in our regions. Further, we suggest the federal government establish a transparent and efficient mechanism for the annual distribution of carbon tax rebates to ensure predictability for businesses planning their future investments.

We look forward to your attention on this important matter. We would welcome a meeting with you to discuss a resolution that supports the prosperity of SMEs across our provinces and the country.



THE COUNCIL OF
ATLANTIC PREMIERS
LE CONSEIL DES PREMIERS
MINISTRES DE L'ATLANTIQUE

Yours truly,

HONOURABLE DR. ANDREW FUREY
Premier of Newfoundland and Labrador
Chair, Council of Atlantic Premiers

Cc: Honourable Dennis King, Premier of Prince Edward Island
Honourable Tim Houston, Premier of Nova Scotia
Honourable Blaine Higgs, Premier of New Brunswick