



Premier of Saskatchewan

Legislative Building
Regina Canada S4S 0B3

October 30, 2019

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
OTTAWA ON K1A 0A2

Dear Prime Minister Trudeau:

I appreciated the opportunity to briefly speak with you the day after your re-election to express the frustrations of Saskatchewan residents and make some proposals to address those concerns.

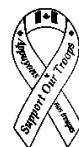
I am writing to follow up on your commitment to meet in person soon. I would also like to propose a few more specifics around the three areas of concern that I raised:

1. Equalization. The 2020 equalization amounts for each province are set to be allocated in December, and under the current formula, some provinces will receive billions of dollars while Saskatchewan, Alberta and Newfoundland and Labrador continue to receive zero. Clearly, the existing formula fails to address the economic reality in those three provinces caused by challenges faced by the energy sector.

While it may not be possible to amend the formula to address this inequity by December, I am asking your government to commit to reforming the equalization formula in 2020 and, as an interim measure, to provide a one-time, per capita payment to Saskatchewan, Alberta and Newfoundland and Labrador under the federal Fiscal Stabilization Program or by some other means.

2. Carbon tax. Saskatchewan has an aggressive plan in place to reduce carbon emissions. Your government accepted the heavy emitters portion of Saskatchewan's plan, but still enacted the consumer portion of the federal backstop that imposes a \$20 a tonne carbon tax directly on Saskatchewan people. On January 1, 2020, the federal carbon tax will increase by 50 per cent in Saskatchewan to \$30 a tonne and will come into effect at \$30 a tonne in Alberta, which currently does not have a carbon tax.

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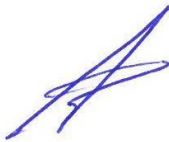


I am asking you to place a one-year pause on the federal backstop in Saskatchewan by removing the federal carbon tax in 2020 while Saskatchewan and federal officials work together to re-evaluate Saskatchewan's carbon emissions plan. I am confident such a re-evaluation will demonstrate that Saskatchewan is contributing to Canada meeting our Paris Accord commitments and that the federal carbon tax is not necessary in Saskatchewan.

3. Pipelines. I would welcome the opportunity to discuss your plans on timelines for moving forward with the Trans-Mountain Expansion Project as quickly as possible and for ensuring the potential for other pipelines to be built or expanded to both the east and west coast, which would also take pressure off our rail lines and help ensure that Saskatchewan can get the other products we produce to market.

I look forward to the opportunity to discuss these proposals with you in greater detail in person at the earliest opportunity.

Sincerely,



Scott Moe
Premier

