



October 27, 2009

Honourable Danny Williams
Premier of Newfoundland and Labrador
PO Box 8700
St. John's NL A1B 4J6

Dear Premier Williams:

Danny

It is the ambition of every Atlantic Canadian to see this region grow stronger and become more self-sufficient. Your province has recently achieved a significant milestone in becoming the first Atlantic province to move off the federal equalization program. New Brunswick is striving to reach this goal as well.

I was, therefore, shocked and saddened by statements you were reported to have made which suggested Newfoundland and Labrador would hinder the economic progress of New Brunswick. New Brunswick is moving toward self-sufficiency – reducing our dependence on federal equalization transfers, as your province has done. Your government and the people of Newfoundland and Labrador can be justly proud of this achievement.

Your province's move off equalization was made possible by the revenues generated from Newfoundland and Labrador's offshore oil resources. Although the arrangements enshrined in the Atlantic accords have given a fiscal advantage to Newfoundland and Labrador in relation to the rest of the Atlantic region, I firmly believe that any measure that strengthens one of the Atlantic provinces is good for the region as a whole.

New Brunswick is seeking to position itself for a stronger, more competitive future. We are exploring means to improve our financial position and provide industries and homeowners with a stable and competitively-priced energy supplies. This is an ambition that no Atlantic Canadian would want to deny to their neighbours.

.../2



Honourable Danny Williams
October 27, 2009
Page 2

I understand and respect your obligation to represent the best interests of the people of Newfoundland and Labrador. I would expect no less from you. But in turn, I ask that you respect the duty that I have to act in the best interest of the people of New Brunswick.


Your comments suggest that you are concerned about the ability of Newfoundland and Labrador to wheel its electricity exports through New Brunswick to markets in the United States. Please allow me to be very clear that nothing will change in this regard: transmission lines running through New Brunswick are now, and will continue to be, open to any customer seeking transshipment rights.

You have made statements in the recent past that suggest you do understand this fact. On April 3, 2009, commenting on the Maine-New Brunswick energy corridor transshipment issue, you stated "We have the right to go through there. If we are in the queue properly and can get access through, then we pay New Brunswick a fair tariff." This will continue to be the case.

I also wish to reassure you, and the people of Newfoundland and Labrador, that New Brunswick will in no way sell its natural resources to outside interests. Nor will we, in any way, surrender our sovereignty over energy policy.

In the coming days, I hope to be in a position to comment publicly on the discussions upon which my government has been engaged. Please be assured that New Brunswick intends to remain a key player in regional energy initiatives, which are vital to the continued growth and prosperity of the Atlantic region.

Yours truly,

A handwritten signature in black ink that reads "Shawn Graham". The signature is written in a cursive, flowing style.

Shawn Graham
Premier