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The Government of Canada notes that this recommendation is directed to the operations of Nalcor as well as to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 8.1 – Trapping compensation program**

The Panel recommends that, if the Project is approved, Nalcor be required to establish a compensation program for all bona fide trappers along the lower Churchill River, without requiring proof of ten years' use as an entry point. Instead, compensation should be commensurate with the total extent of trapping activity during the previous ten years, as shown by the recorded income attributable to the Project area. Compensation should be awarded within six months after an individual trapper has established eligibility.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 8.2 – Mud Lake ice bridge mitigation**

The Panel recommends that, if the Project is approved, Nalcor, the Government of Newfoundland and Labrador and the Mud Lake Improvement Committee negotiate an agreement to address how any future adverse changes to the ice bridge that would lengthen the existing period of time when residents are unable to cross the river by boat or snowmobile would be assessed and mitigated. Alternative transportation options should be provided if travel across the river is prevented during the freeze-up or break-up for periods in excess of two weeks. The selected solution should adequately meet the residents' needs for everyday and emergency travel and should respect the character of the community. Road access should not be imposed on the community as a solution to address ice bridge changes without its consent. The primary onus to cover the costs of this mitigation should be placed on Nalcor. The agreement should also address the role of the Province in mitigating any cumulative effects caused by climate change.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor, the Province of Newfoundland and Labrador and the Mud Lake Improvement Committee. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 8.3 – Navigation during impoundment**

The Panel recommends that, if the Project is approved, Nalcor be required to develop a mitigation plan in consultation with the Mud Lake Improvement Committee to address temporary transportation difficulties during reservoir impoundment periods. If

transportation is impeded, Nalcor should provide and pay for alternative transportation that minimizes inconvenience to the residents.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador, in consultation with the Mud Lake Improvement committee. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 8.4 – Lower Churchill navigation mitigation and monitoring plan**

The Panel recommends that, if the Project is approved, Transport Canada require Nalcor to develop a mitigation and monitoring plan for each reservoir, in consultation with river users, to address navigation issues on the river, including both reservoirs and the downstream portion of the main stem. The plan would address (a) navigation issues during the construction and impoundment periods, (b) provision of boat launches and portages, (c) identification of areas that need to be cleared before impoundment to create safe shoreline access areas for small boats, (d) management of the stick-up zones, including how and when Nalcor would manually remove trees left standing three years after impoundment, (e) management of trash and debris in the reservoirs, (f) charts to show navigational hazards, signage and information, and (g) monitoring and specific adaptive management measures to address any navigational problems downstream from Muskrat Falls.

*Response:*

The Government of Canada accepts this recommendation and notes it is directed to Transport Canada. Should the Project proceed, Transport Canada will include the provisions listed by the panel as conditions on the appropriate *Navigable Waters Protection Act* approvals to reduce the impacts to navigation for each reservoir. The proponent must legally adhere to all conditions listed on any issued *Navigable Waters Protection Act* approvals. Transport Canada will work with the proponent, Aboriginal groups and the boating public to ensure that the listed conditions are successfully implemented. Monitoring will be conducted and adaptive measures will be implemented as required, to ensure impacts downstream of Muskrat Falls are minimal.

**Recommendation 8.5 – Allowing local forestry operators to clear additional areas**

The Panel recommends that, if the Project is approved, the provincial Department of Natural Resources require Nalcor to allow local forestry operators to clear timber from areas not otherwise scheduled to be cleared, provided they can demonstrate a safe approach. Nalcor should be required to pay the stumpage fees for the forestry operators salvaging the extra timber.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of

Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 9.1 – Noise and dust management**

The Panel recommends that, if the Project is approved, and to avoid disturbance of persons carrying out traditional land and resource use activities, Nalcor be required to monitor and manage construction traffic and borrow pit activities to minimize dust problems, noise and sleeping disturbance for occupants of cabins and camps along the roads.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 9.2 – Relocation of Canada yew**

The Panel recommends that, if the Project is approved, Nalcor be required to collaborate with Innu Elders on where and how to relocate Canada yew plants, conduct regular field visits with Elders for assessment, and employ any adaptive management procedures required to maintain a stable population of the plant.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 9.3 – Community level land and resource use monitoring**

The Panel recommends that, if the Project is approved, Nalcor involve all Aboriginal groups in the design and implementation of its proposed community land and resource use monitoring program for the duration of the construction period to ensure that parameters of importance to these groups and Traditional Knowledge are included.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 11.1 – Involvement of Aboriginal Groups in the management and protection of historic and archaeological resources.**

The Panel recommends that, if the Project is approved, Nalcor, in collaboration with the Provincial Archaeology Office, establish and support a program to involve all three

Labrador Aboriginal groups in (a) the documentation and interpretation of known historic and archaeological sites and artifacts and (b) the process to be followed in the case of inadvertent discoveries of previously unknown sites and artifacts during construction, including notification of the three groups. Nalcor should also give consideration to inviting participation by interested Aboriginal communities in Quebec. Nalcor should share with Aboriginal groups the results of its work on the monitoring of historic and archeological resources to be compiled and provided annually to the Provincial Archaeology Office.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and to the Provincial Archeology Office. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 11.2 – Commemoration initiatives**

The Panel recommends that, if the Project is approved, Nalcor work in collaboration with local communities and Aboriginal groups to (a) identify sites, artifacts and intangible elements (including portages, traplines, trails and personal stories) to be documented and commemorated, (b) determine how commemoration should occur and (c) implement specific commemorative initiatives (such as plaques and story boards) at appropriate locations in communities and throughout the river valley. Local heritage organizations could benefit by receiving funding to undertake part of this work and to implement education and interpretation programs.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and in consultation with local communities and Aboriginal groups. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 11.3 – Naming Project-Related Features**

The Panel recommends that, if the Project is approved, the Government of Newfoundland and Labrador develop an approach to the naming of Project-related features in consultation with local communities and Aboriginal groups that recognizes the importance of place names in Aboriginal cultures.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.



**Recommendation 12.1 – Early candidate selection and training**

The Panel recommends that, if the Project is approved, Nalcor take a more proactive approach to providing early and specific training programs to certain Labrador candidates. This approach could include measures such as early candidate selection, conditional letters of intended employment, and, on-the-job training at other Nalcor operations or with other entities with which Nalcor has influence.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.2 – Workplace attachment for apprenticeship graduates**

The Panel recommends that, if the Project is approved, Nalcor commit to providing workplace attachment for both first and second year graduates of apprenticeship programs to the maximum extent possible.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.3 – Training to ‘journeyperson’ level in community of residence**

The Panel recommends that, if the Project is approved, relevant provincial departments commit to explore with Nalcor, other educational entities and agencies and relevant communities in Labrador, how to implement to the extent practical, training to ‘journeyperson’ level in the community of residence.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.4 – Address wage subsidy stigma**

The Panel recommends that, if the Project is approved, to the extent that wage subsidies might be available and used for new job entrants, Nalcor implement an education and communications program to address and remove the stigma that some might feel is associated with such a practice.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.5 – Preparing for participation in wage economy**

The Panel recommends that, if the Project is approved, Nalcor develop and implement, in consultation with Aboriginal groups, an appropriate orientation and information process to assist prospective employees who might have little or no experience of participation in a wage economy. Nalcor should also expand training programs to include, in addition to skills training, training to equip potential Aboriginal employees to deal with various financial, social and cultural challenges as a result of employment in the construction industry. In consultation with Aboriginal groups, Nalcor should also consider providing additional money management programs such as payroll saving schemes.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.6 – Continuation of Labrador Aboriginal Training Partnership**

The Panel recommends that, if the Project is approved, Nalcor support the continuation of the Labrador Aboriginal Training Partnership beyond 2012, including making a financial contribution if required to both enable current participants to complete their training and to meet additional training requirements.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.7 – Employment Outreach to Quebec Aboriginal Communities**

The Panel recommends that, if the Project is approved, Nalcor initiate an employment outreach program for interested Aboriginal groups in Quebec; such a program could include among other measures, a specific recruitment program, transportation assistance from Sept-Iles, and measures to address social and cultural issues including any associated language barriers.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government

of Canada will work with the appropriate parties, as required.

**Recommendation 12.8 – Quantitative targets for goods and services**

The Panel recommends that, if the Project is approved, the concept of quantitative objectives or targets be applied to the provision of goods and services, with targets established both for the province as a whole, and for Labrador.

*Response:*

The Government of Canada notes this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.9 – Enhanced supplier development program**

The Panel recommends that, if the Project is approved, Nalcor enhance its supplier development program by implementing the following measures: (a) establish the Labrador Business Opportunities Committee and appoint the full time Coordinator in Happy Valley-Goose Bay as soon as possible, (b) ensure the Coordinator (a Nalcor employee) has sufficient seniority within the organization to influence relevant procurement decisions and has full access to all procurement information and related decision making, (c) release as soon as possible the list of goods and services required by the Project, with specific indications of time frame, approximate volumes and dollar values or ranges as appropriate, and (d) ensure immediately that all engineering management personnel involved in specifications, bidder prequalification, and procurement are fully aware of Nalcor's commitments towards maximizing benefits in this area and act accordingly.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.10 – Update quantitative targets at time of sanction**

The Panel recommends that, if the Project is approved, Nalcor update at the time of Muskrat Falls sanction, the quantitative objectives or targets and the detailed list of goods and services required by the Project. Further, that this update be done in consultation with interested parties and the information be provided for Muskrat Falls construction and, to the extent possible, for the Project as a whole.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.11 – Transparent bidding process**

The Panel recommends that, if the Project is approved, Nalcor implement a transparent bidding process that ensures that bidders are fully aware of the decision-making process, unsuccessful bidders can find out the reasons why and thereby improve, and Nalcor's commitments and programs apply and are enforced by all its contractors, sub-contractors and suppliers.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 12.12 – Modifications to the Benefits Strategy**

The Panel recommends that, if the Project is approved, Nalcor and the provincial Department of Natural Resources modify two overall provisions of the Benefits Strategy. The first is to ensure that both the monthly reports on employment and goods and services and the quarterly reports on compliance are publically available and not restricted by the confidentiality provisions of Nalcor's legislation. The second is to remove the provision that allows the Minister to modify the benefits targets and other commitments regarding this Project at the Minister's sole discretion.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and the provincial Department of Natural Resources. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.1 – Sheshatshiu social effects mitigation**

The Panel recommends that, if the Project is approved, Innu Nation, Sheshatshiu Innu Band Council, Nalcor, the provincial Department of Health and Community Services, and relevant federal government departments develop a Memorandum of Understanding with regard to identifying and implementing (a) mechanisms to prevent the exacerbation of existing social problems and (b) mitigation measures such as mental health and addictions services and family support required to address any Project-related increases in social problems. Each party would bring to the table its relevant knowledge and resources. In the case of Innu Nation and Sheshatshiu Innu Band Council, this would include any provisions of the Impacts and Benefits Agreement component of the Tshash Petapen Agreement that directly address this issue. In the case of Nalcor, its role would be to adjust hiring, employment and employee assistance arrangements where possible and appropriate to assist or reinforce mitigation. The federal and provincial governments should provide resources to discharge their responsibilities in these areas.

*Response:*

The Government of Canada agrees with the intent of this recommendation and notes it is directed to Innu Nation, Sheshatshiu Innu Band Council, the operations of Nalcor as regulated by the Province of Newfoundland and Labrador, the provincial Department of Health and Community Services, and relevant federal government departments. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.2 – Social Effects Needs Assessment and Outreach**

The Panel recommends that, if the Project is approved, the provincial Department of Health and Community Services, in consultation with Aboriginal groups, and appropriate government and community agencies from the Upper Lake Melville area, conduct a social effects needs assessment, including an appropriately resourced participatory research component, that would determine the parameters to monitor, collect baseline data, and provide recommendations for social effects mitigation measures and an approach to on-going monitoring. It is expected that Innu Nation would be a participant in the research and that the results would inform and enhance the social effects mitigation measures suggested in Recommendation 13.1. The results of the needs assessment would be documented in a public report and, subject to the agreement of participants, the results of the research would be published in a peer-reviewed journal.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.3 – Worksite measures to address addictions issues**

The Panel recommends that, if the Project is approved, Nalcor conduct careful monitoring of the effectiveness of the policy of controlled access to alcohol at the accommodation camps and provide professional addictions counseling to employees.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.4 – Variety of work schedules**

The Panel recommends that, if the Project is approved, Nalcor offer a variety of work schedules, and require the same of its contractors, to accommodate different groups of workers and to assist in meeting its employment goals, particularly for Aboriginal employees and women.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.5 – Health and social services**

The Panel recommends that, if the Project is approved, the provincial Department of Health and Community Services formally commit to provide the human resources required to address any Project-related increases in the demand for mental health, addictions and other health and social services at the Labrador Health Centre, as identified in the needs assessment. Nalcor's contribution to mitigation measures to address this should be clarified through a Memorandum of Understanding with the Labrador-Grenfell Regional Health Authority.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.6 – Capacity agreement with Happy Valley-Goose Bay**

The Panel recommends that, if the Project is approved, the Government of Newfoundland and Labrador and Nalcor negotiate a capacity agreement with the Town of Happy Valley-Goose Bay to provide financial resources to increase the Town's capacity to address additional administrative demands related to the Project. The time period for the agreement would be negotiated by the parties and should relate to the needs expected at different stages of the Project. The resources would be intended to enable the Town to:

- establish baseline data on infrastructure capacity and use prior to the start of construction;
- monitor Project-related infrastructure effects throughout the construction period of the Project and identify needed mitigation;
- prepare, publicize and update on a regular basis, emergency preparedness plans to
- address the possibility of a catastrophic flood event;
- prepare a low income housing strategy; and
- Address issues related to Project-related in-migration and the potential economic downturn at the end of the construction phase, and any other Project-related effects within the Town, not otherwise mitigated.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador, the Government of Newfoundland and Labrador and the Town of Happy-Valley Goose Bay. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.7 – Funding for infrastructure mitigation**

The Panel recommends that, prior to Project sanction, a binding and firm commitment be given by Nalcor and the Government of Newfoundland and Labrador that sufficient funds and resources be made available to fully mitigate Project-related adverse impacts on infrastructure in Happy Valley-Goose Bay.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and the Government of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.8 – Low-income housing strategy**

The Panel recommends that, if the Project is approved, before construction begins, Nalcor support the efforts of the Town of Happy Valley-Goose Bay, relevant federal and provincial departments, and local low-income housing agencies, to develop and implement a strategy to set measurable targets, address the existing low-income housing needs and mitigate the adverse impacts of Project-related in-migration on low-income housing.

*Response:*

The Government of Canada agrees with the intent of this recommendation and notes it is directed to the operations of Nalcor as regulated by the province of Newfoundland and Labrador, the Town of Happy Valley-Goose Bay and relevant federal and provincial departments. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.9 – Possible requirement for consumption advisories in Goose Bay or Lake Melville.**

The Panel recommends that, if the Project is approved and the outcome of the downstream mercury assessment (Recommendation 6.7) indicates that consumption advisories would be required for Goose Bay or Lake Melville, Nalcor enter into negotiations prior to impoundment with the parties representing – as appropriate – Goose Bay and Lake Melville resource users. Depending on where the consumption advisories would apply, these could include Aboriginal groups, the Town of Happy Valley-Goose Bay, Mud Lake Improvement Committee, the Town of North West River and the community of Rigolet. The purpose of the negotiations would be to reach agreement regarding further mitigation where possible and compensation measures, including financial redress if necessary. This recommendation would also apply later in the process if the downstream mercury assessment indicated that advisories were not likely, but monitoring subsequently required their application.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador, with participation from Aboriginal groups, the Town of Happy Valley-Goose Bay, Mud Lake Improvement Committee, the Town of North West River and the community of Rigolet. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.10 – Consumption advisory implementation**

The Panel recommends that, if the Project is approved and fish and seal monitoring indicates that consumption advisories are required, Nalcor:

- follow Health Canada guidelines regarding the establishment of human mercury hazard quotient levels and fish consumption advisories;
- consult with Aboriginal Affairs and Northern Development Canada regarding best practices for the communication of advisories;
- consult with Aboriginal groups and affected communities regarding an effective approach to the communication and implementation of consumption advisories that ensures that affected communities have an understanding of the quantities and types of fish that can be consumed safely and the health benefits of including fish in one's diet;
- ensure that notifications of the consumption advisories are placed at regular intervals in easily visible locations along the shorelines of affected water bodies;
- ensure that consumption advisories are updated as necessary to reflect any changes detected in mercury levels in fish or seal; and
- provide publicly accessible, up-to-date and accurate information through the internet, radio, newspapers and other means regarding the health risks of mercury and the status of the advisories.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.11 – Human health and mercury monitoring**

The Panel recommends that, if the Project is approved, Nalcor, in collaboration with Health Canada and the provincial Department of Health and Community Services:

- consult with Aboriginal groups and affected communities regarding the approach to be taken to baseline and follow-up mercury testing and the communication of results for each group; and
- establish baseline human mercury levels in Churchill Falls, Upper Lake Melville communities and Rigolet, with consideration given to offering blood tests as well as hair samples for Innu participants, due to inconsistencies noted in the correlation between hair sample results and dietary consumption.



If consumption advisories are required, it is further recommended that Nalcor ensure that a human health mercury monitoring program is established concurrently with the issuing of consumption advisories. This monitoring would continue until five years after the lifting of consumption advisories, or until such time as determined by Health Canada, and would be overseen by the Monitoring and Community Liaison Committee described in Chapter 15.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.12 – Dietary Surveys**

The Panel recommends that, if the Project is approved and consumption advisories are required as a result of mercury levels in fish or seal, Nalcor conduct ongoing dietary surveys as an integral part of the mercury monitoring program, including fish, seal, caribou and other country food. Dietary surveys should be conducted concurrently with regular mercury testing in affected communities to determine the effectiveness of the consumption advisories and the overall impact on fish and country food consumption.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 13.13 – Research on mercury in country food**

The Panel recommends that, if the Project is approved, the provincial Department of Labrador and Aboriginal Affairs, in consultation with Health Canada and Aboriginal groups, initiate a study of (a) the extent of country food contamination by mercury and other contaminants and (b) human consumption levels of country food, particularly in areas where people are also exposed to mercury in fish, to identify the potential risks to human health in Labrador.

*Response:*

The Government of Canada notes that this recommendation is directed to the provincial Department of Labrador and Aboriginal Affairs. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 14.1 – Emergency preparation for the possibility of a dam failure**

The Panel recommends that, if the Project is approved, Nalcor be required to:

- prepare and provide to affected communities updated maps that more clearly

- show areas that would be flooded following a dam failure;
- prepare, in consultation with the relevant communities and appropriate authorities, an Emergency Preparedness Plan, for response in the event of catastrophic dam failure, and emergency response procedures and community evacuation procedures related to a dam failure and subsequent flooding; the Plan should be reviewed every five years;
- work with each community that has been identified as being at risk of flooding in the event of a dam failure to develop evacuation plans, to be completed prior to filling of the reservoirs;
- work with emergency response providers and assist as appropriate in the event of an evacuation;
- implement a flood warning system for Mud Lake and Happy Valley-Goose Bay to be approved by the provincial Department of Environment and Conservation; and
- conduct seismographic monitoring in the Project area prior to construction.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador, in consultation with the provincial Department of Environment and Conservation. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 14.2 – Compensation for losses in the event of a dam failure**

The Panel recommends that, if the Project is approved, the Government of Newfoundland and Labrador require Nalcor to assume liability on a ‘no fault’ basis for any loss of life and financial losses incurred because of the destruction of property and belongings and disruption of activities caused by flooding as a result of one or more dams failing on the lower Churchill River. Nalcor should provide guarantees in the form of insurance, bonds or other appropriate measures that individuals, businesses and institutions suffering damage would receive full compensation, the amount to be determined by a neutral third party, regardless of the cause of the dam failure.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 14.3 – Seismic testing**

The Panel recommends that, if the Project is approved, Nalcor carry out seismic testing during reservoir filling and apply appropriate mitigation measures in the event of a seismic event related to reservoir filling.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations

of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.1 – Authorizing Regulation**

The Panel recommends that, if the Project is approved, the Government of Newfoundland and Labrador issue an authorizing regulation or equivalent mechanism that:

- lists and requires Nalcor to implement all its environmental management commitments in relation to the Project made during the course of the environmental assessment, plus the additional measures recommended by the Panel and accepted by the Government of Newfoundland and Labrador;
- lists and requires provincial departments to implement all their environmental management commitments in relation to the Project made during the course of the environmental assessment, plus the additional measures recommended by the Panel and accepted by the Government of Newfoundland and Labrador;
- includes a mechanism for updates as required to reflect any additions or changes, including adaptive management strategies that may be required and are not yet identified;
- ensures compliance with Environmental Protection Plans, Emergency Response Plans, Contingency Plans, Occupational Health and Safety Plans, and Environmental Effects Monitoring Plans including those that are implemented through another regulatory instrument and those that are unregulated;
- requires Nalcor to prepare and publish on the internet an annual report describing its environmental management activities and results, including mitigation, monitoring and adaptive management as appropriate, and related disbursements;
- establishes a monitoring and community liaison committee; and
- remains in effect for the duration of the construction period and a sufficient period of time thereafter to ensure there is no longer a risk of adverse effects as a result of the Project.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.2 – Federal – Provincial Joint Regulatory Plan**

The Panel recommends that, if the Project is approved, the federal and provincial governments prepare a joint regulatory plan for the Project which outlines their respective regulatory requirements and includes a coordinated approach to areas where there is overlapping or related jurisdiction, and commit to it by signing a Memorandum of Agreement. The regulatory plan should address the regulations, guidelines, standards and criteria to be applied to activities. Each government would appoint a coordinating department or agency to prepare the plan and to produce a joint annual report regarding Nalcor's compliance, any issues or problems that were identified and how they were resolved. This report would be made available to the public through the internet.

*Response:*

The Government of Canada agrees with the intent of this recommendation and notes it is directed to federal and provincial governments. The Government of Canada understands that the intent of this recommendation is to ensure coordination between federal and provincial agencies to guarantee compliance with all relevant federal and provincial regulations. The Government of Canada is of the view that the Province's Environmental Protection Plan will afford the necessary coordination mechanisms and is an effective means of ensuring compliance. Nalcor will also be required through the Authorizing Regulation to create a yearly performance document that lists all authorizations and permits provided during the year and identifies Nalcor's compliance with them.

**Recommendation 15.3 – Long-term funding for environmental management from Nalcor**

The Panel recommends that, if the Project is approved, and to the extent that funds are not committed from other sources, Nalcor identify and allocate in its detailed Project budget, financial support for environmental management for the duration of Project construction. The Panel further recommends that Nalcor make a general commitment with a ten-year forecast, to be updated every five years, until such time as there is no longer evidence of ongoing environmental effects resulting from the Project.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.4 – Long Term Funding for Environmental Management from government departments**

The Panel recommends that, if the Project is approved, the governments of Newfoundland and Labrador and Canada make long-term commitments to support annual budget requests by the relevant departments with responsibilities for Project-related environmental management including socio-economic mitigation commitments. The Panel further recommends that the governments make general commitments with a ten-year forecast, to be updated every five years, until such time as there is no longer evidence of ongoing environmental effects resulting from the Project.

*Response:*

The Government of Canada agrees with the intent of this recommendation and notes it is directed to the governments of Newfoundland and Labrador and Canada. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.5 – Lower Churchill Project Monitoring and Community Liaison Committee**

The Panel recommends that, if the Project is approved, prior to the start of construction, the provincial Department of Environment and Conservation appoints a Monitoring and Community Liaison Committee, using a community-based nomination process. Nalcor, through the Department, should provide the Committee with sufficient resources to allow for staff support, expenses and a modest honorarium for non-government participants, acquisition of independent expert advice, and adequate communication with community residents including occasional public forums. The mandate of the Committee would be set out in the Authorizing Regulation and the Federal-Provincial regulatory plan. The Committee would operate throughout the construction period and for the first ten years of the operating period, at which point the continuing need for the Committee should be reassessed by the Department in consultation with the Committee, the communities and Nalcor. The Committee would:

- provide community feedback and advice to the Department and to Nalcor on relevant issues including Project-specific mitigation, impact monitoring and adaptive management committed to by Nalcor and as recommended by the Panel;
- be empowered as required to establish subcommittees or working groups to address the key areas of biophysical monitoring and follow-up, enhancing employment and business benefits, and health and social issues;
- have representation from communities, community-based agencies and non-government organizations, Aboriginal organizations, relevant federal and provincial government departments and Nalcor (ex-officio); and
- liaise with the public to ensure a transparent approach to addressing public concerns and the communication of monitoring results.

*Response:*

The Government of Canada notes that this recommendation is directed to the provincial Department of Environment and Conservation and the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.6 – Project-specific effects monitoring programs**

The Panel recommends that, if the Project is approved, all Project-specific effects monitoring programs, whether conducted by Nalcor, governments or in combination, include the following elements:

- identification of monitoring objectives and means of achieving verifiable results capable of guiding remedial action;
- formulation of clearly stated research questions capable of testing impact predictions;
- key measurable indicators linking Project activities to outcomes, and threshold or reference levels to identify Project effects;
- strategies and protocols for data collection and quality control;

- protocols for data compilation, storage, control and access;
- provision for data analysis and assessment; and
- reporting procedures and schedules.

*Response:*

The Government of Canada accepts this recommendation and notes it is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and the federal and provincial governments. The Government of Canada understands the intent of this recommendation is to ensure that the results of the monitoring programs for the project have public credibility and scientific relevance.

The Government of Canada is committed to ensuring that monitoring and follow-up programs associated with federal regulatory approvals follow a scientific approach that includes the elements outlined above and will work with the appropriate parties, as required.

**Recommendation 15.7 – Adaptive Management**

The Panel recommends that, if the Project is approved, adaptive management for Project specific or cumulative effects, whether conducted by Nalcor, governments, or in combination, include the following components:

- commitment to a proactive approach to adaptive management;
- clearly defined impacts thresholds to clarify where and when adaptive responses would be necessary;
- implementation and contingency plans and resources to enable responsive action especially in areas where effect predictions are thought to be uncertain and where predictive errors may have serious consequences;
- transparent process for setting and adjusting monitoring and management priorities; and
- provision for regular review of adaptive management effectiveness, adjustment of related monitoring and responses to focus on significant continuing concerns.

*Response:*

The Government of Canada accepts this recommendation and notes it is directed at the operations of Nalcor as regulated by the Province of Newfoundland and Labrador and the federal and provincial governments. The Government of Canada agrees that adaptive management is an important tool for minimizing the future environmental effects of the Project. It will ensure that adaptive management is incorporated into federal approvals, permits and authorizations required for the Project. In such instances, to the extent possible, approvals may be amended to address the mitigation of future impacts.

**Recommendation 15.8 – Complaints resolution**

The Panel recommends that, if the Project is approved, before the start of construction, Nalcor develop a complaints resolution process, in consultation with the Monitoring and

Community Liaison Committee, to address concerns relating to possible adverse Project effects on individuals, and to be implemented during construction and operations. The process could include the following:

- easy access for individuals to bring concerns or complaints to Nalcor via a toll-free phone number, website and other appropriate means;
- dedicated Nalcor staff support to receive, process and respond to complaints;
- a tracking process with response time targets;
- third-party adjudication in the event that complaints cannot be otherwise resolved to the satisfaction of both Nalcor and the complainant; and
- a system to report on complaints received and how they were resolved.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.9 – Environmental Review in the event that construction of the second generation facility is delayed**

The Panel recommends that, if the Project is approved and the construction of the second generating facility and reservoir does not start before the first is completed, the environmental release would expire and terms and conditions contained in the original release would be revisited. The extent of the review required for later release would be the decision of the relevant federal and provincial governments, depending on applicable laws and circumstances at the time.

*Response:*

The Government of Canada does not accept this recommendation that, in the federal context, the course of action would automatically expire. However, the Government of Canada would support an environmental management review (i.e. lessons learned) during the construction of the first facility to inform the construction of the second facility depending on applicable laws and circumstances at the time.

**Recommendation 15.10 – Local hiring for environmental management work**

The Panel recommends that, if the Project is approved, where possible, Nalcor hire local people to work on environmental monitoring and mitigation projects to benefit from their local knowledge and to develop local skills and experience in the field of environmental management.

*Response:*

The Government of Canada notes that this recommendation is directed to the operations of Nalcor as regulated by the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 15.11 – Government Response to Panel Report**

The Panel recommends that the federal and provincial governments provide written responses to the Panel report and that these responses be made available to the general public through the internet.

*Response:*

The Government of Canada accepts this recommendation and notes it is directed to the federal and provincial governments. The Government of Canada's response to the Panel's report will be made public through Canadian Environmental Assessment Registry once a Governor in Council decision is made.

**Recommendation 15.12 – Decommissioning**

The Panel recommends that Nalcor demonstrate, prior to Project approval and in a manner acceptable to both governments, how it will assume financial responsibility for the potential future decommissioning of the Project to ensure that decommissioning does not become a burden to future generations.

*Response:*

The Government of Canada does not accept this recommendation because decommissioning is not contemplated for this Project. Should the operator of the generation facility at any time require refurbishment or remediation of the facility, then it will be done in accordance with the laws of general application at that time.

**Recommendation 16.1 – Regionally integrated cumulative effects assessment**

The Panel recommends that, if the Project is approved, the provincial Department of Environment and Conservation, in collaboration with the provincial Department of Labrador and Aboriginal Affairs and other relevant departments, identify regional mechanisms to assess and mitigate the cumulative effects of current and future development in Labrador.

*Response:*

The Government of Canada notes that this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.

**Recommendation 16.2 – Establishment of Protected Areas**

The Panel recommends that, if the Project is approved, the provincial Department of Environment and Conservation commit resources to advance the Protected Areas Strategy process by working towards the following goals and reporting annually on progress:



- identify priority candidate areas for provincial protection in Labrador in order to bring the total protected area (federal and provincial) up to the national average (approximately 8.5 percent) before any additional major development is approved in Labrador;
- identify additional candidate areas in Labrador needed to bring the total protected area up to the level identified in the Protected Areas Strategy as desirable for adequate conservation purposes (10 to 15 percent);
- through this process, address preservation of representative areas of all ecozones, mitigation of habitat fragmentation, especially for migratory wildlife, and protection of selected rivers; and
- establish a schedule to ensure that priority candidate areas are protected.

*Response:*

The Government of Canada notes this recommendation is directed to the Province of Newfoundland and Labrador. The Government of Canada will work with the appropriate parties, as required.