

Date : 10/10/2006 10:15:35 PM

From : "Matthews, Elizabeth"

To : "Paddock, Jeff"

Subject : Re: Quotes for Le Journal interview

You're the best. Thanks Jeff.

Sent via Blackberry  
Government of Newfoundland and Labrador

-----Original Message-----

From: Jeff Paddock

To: Elizabeth Matthews <ElizabethMatthews@gov.nl.ca>

CC: Ken Morrissey <KenMorrissey@gov.nl.ca>

Creation Date: 10/10 10:12 pm

Subject: Quotes for Le Journal interview

Elizabeth, Ken,

Attached and pasted below, as requested, is a collection of key recent quotes by Premier Williams and Quebec officials about the Churchill project. In the attached version, I've used bolding and underlining (along with the theme subheads below) to show the key quotes in context. You could delete around the underlined sections to reduce the total text, depending on whether or not you want the context.

In the clippings from the 10th Floor, the transcripts from Carmel and my online searches (including in french), I found no recent quotes by Premier Charest on this. If I turn up anything later, I will send it along.

I hope this is the format you were looking for.

I will leave the clippings and transcripts with Ken.

Jeff

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October 10, 2006

Lower Churchill: Key recent statements  
by Premier Williams and Quebec officials

Premier Williams quotes

From Premier Williams ♦s crum (Sept 27, 2006)

(pieces assembled from several stories: CBC Radio, Sept 27, 2006 12:54pm; VOXM, Sept 27, 2006 1:30 pm and 5:35pm; NTV, Sept 27, 2006 6:02pm)

On Quebec tying up capacity:

There's a huge appetite for clean energy whether it happens to wind or any other form for clean energy as well. So there's lots of market out there. Now that's not to say that it ♦s - you know, there's capacity all over the place, but having said it, we have the best hydro project in North America in my opinion. But the other issue is the whole question of transmission and capacity. So Quebec are trying to do what they can to tie up the capacity in order to restrict our ability to transmit through Quebec, and ultimately into Ontario. So some point that ♦s going to have to be dealt with. And we've done all the right things. We made application to the Quebec regulator, it's the first time it's ever been done by the province. We now have an application into the Ontario regulator which is, I think, the first time that's ever been done by the province. So we're following all the rules and regulations that have to be done all the way through and then let the chips fall at the end of the day. But we're going to do it right. But again, if we don't ♦ get the proper deal on hydro electric power for the people of Newfoundland and Labrador, then it won't happen.

On Quebec ♦s volatile politics:

So the more we can spread out our energy supply, means that we won't be totally dependent on Quebec for energy which, given the volatility of politics in Quebec, could be a very, very sensitive situation in years to come.

On ignoring Quebec:

I can't get concerned with what Quebec does and nor do I care quite frankly, you know we're not going to be governed in this process by what Quebec wants to do or doesn't want to do. There's an article in the Globe today that talks about a Quebec viewpoint that you know Newfoundland & Labrador is going to be left behind. Well I mean that's just propaganda that's coming out of Quebec, I mean the columnist has written his viewpoint, but he states very clearly that it's a Quebec view. So having said that, you know we're going to proceed and we're going to do what's right. And you know, there may be a possibility, still a possibility, we may not even go through Quebec. However we are in discussions with Ontario with the intention of providing power to Ontario, and I think Quebec will be hard pressed to deny us the right to go through, if in fact we do get a deal with Ontario.

On a federal role:

There's a role here for the federal government. And you know, at some point we're talking east-west transition bid. The province that's opposed to that is Quebec. But the federal government has indicated that had it has some appetite possibly for an east-west transmission grid, certainly prepared to look at a grid between Manitoba and Ontario. And I've always said if it's going to be east, then east doesn't stop at Montreal or doesn't stop at Halifax. East means it will come all the way to Newfoundland and Labrador. So that being the case, there is a role here for the federal government.

On the Labrador boundary and other hydro projects:

From my perspective and the government's perspective and the people of Newfoundland and Labrador's perspective there's no issue on the boundary.... With regards to the Hydro projects, we're monitoring exactly what's happening on the Romaine and we're proceeding with our own project. So these things are rolling along and people have viewpoints, and I respect those viewpoints. And from time to time as some of these viewpoints come up, they bring to our attention issues that need to be addressed. I know one issue that came up, which I personally actually wasn't even aware of, that the boundary hadn't actually been surveyed. And that's something, of course, now that government will certainly have a look at. So, but with regard to the Lower Churchill and us proceeding there, we're just moving fast forward, we have a lot of balls in the air on that, things are moving very, very well.

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Premier Williams ♦ interview with Cindy Wall  
CBC Labrador, Sept 29, 2006 7:43am

On Quebec tying up capacity:

You know what I find particularly distasteful in this whole process? ...the Government of Quebec and Hydro Quebec of course have already taken us once. They took us to the cleaners on the Upper Churchill. They're making huge amounts of money as a result of the Upper Churchill. And I can't for the life of me understand why they would not cooperate and facilitate Newfoundland and Labrador, developing the Lower Churchill on its own and reaping significant benefits and profits from it. What we're seeing is that they're making attempts to basically bottle up the transmission line, the pipeline that goes through Quebec that would carry the necessary energy into Ontario. And then proceeding of course with their own projects in order to basically get ahead of Newfoundland and Labrador.

On the boundary:

The other thing which of course is also happening which is actually rubbing salt in the wounds, I think, particularly with Labradorians, is that they're now questioning the boundary.... This has been decided, the Privy Council made the decision in 1927. Its over, it's done. ... the problem with Quebec is Quebec think they own Labrador.

On Quebec cherry-picking:

They just want to come in and they just want to cherry pick a situation where they can take the profits out as they've done with the Upper Churchill and reap the benefits from Labrador and have no social responsibility.

On flooding headwaters in Labrador:

The head waters are possibly on Innu lands so therefore, there are aboriginal issues that come into play here. So the government is monitoring this, looking at it, and planning a strategy for when this development proceeds. But you know what is really unfortunate that that's the case. The Government of Quebec, the Government of Newfoundland & Labrador and the people in both these provinces should be working together to properly manage and develop the wonderful resources that are in northern Quebec and also in Labrador and that's not happening. And I'm just absolutely amazed.

On protecting our interests:

The message in Labrador is quite simple, look we're prepared to work with you to maximize the return on this, but we're also prepared to have a confrontation with you and a confrontation doesn't mean in a physical sense, but if it happens to be a verbal confrontation or if it happens to be a legal confrontation over these issues, than we're certainly prepared to do it because I'm going to protect the interest of Labradorians.

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Premier Williams quoted in The Toronto Star  
June 8, 2006 (Ontario receives offer of new energy; by Rob Ferguson and Robert Benzie)

On the separatist risk:

[2,800 megawatts of electricity by 2015] That's enough to power 1.4 million homes and Ontario could purchase a "significant portion" to reduce its reliance on power from Quebec and other jurisdictions, Williams said. "I don't think Ontario should be putting all its eggs in Quebec's basket when it comes to clean energy," he added. "We always have that ... separatist risk in Quebec and it just makes good sense for the people of the country to diversify."

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Premier Williams quoted in The Telegram  
Sept 28, 2006 (Cross-border staredown; by Craig Jackson)

On Quebec propaganda:

[re: Lower Churchill left behind in Quebec's plans] "That's just propaganda that's coming out of Quebec," Williams said. "Quebec would be hard-pressed to deny us the right to go through [that province with electrical power] if, in fact, we do a deal with Ontario."

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Premier Williams ♦ interview with Krysta Rudofsky  
Out of the Fog, Oct 3, 2006 7:39pm

On other potential partners:

Well they're not the only game in town. We've also kept the other alternative open and that's the alternative of going down the Atlantic route. We are still looking at the possibility, the Head of Newfoundland and Labrador Hydro Ed Martin this week is stateside meeting with Joe Kennedy to look at the possibly opportunities down there. Joe and his group are very interested in clean energy for Newfoundland and Labrador.

On playing by the rules:

Obviously it's a Canadian project. If we could have that energy, that clean renewable energy delivered to Quebecers and Ontarians ultimately, because they have the insatiable appetite for energy, then that's our preference. But, you know, if Quebec are going to try and make it difficult for us so that they can sell their own energy first, then, you know, we'll work through the rules and regulations. We've made application in Quebec under the [inaudible] rules for transmission through, we've made application in Ontario, we're doing everything right, we're playing by all the rules and we just expect to be treated fairly.

On fairness:

The other thing is, Quebecers should acknowledge that this is our project, the Lower Churchill is our project. We lost the Upper Churchill project. And, therefore, I would expect them to be accommodating us and working with us because the opportunity in northern Quebec and in Labrador is enormous and we should be partnering on it.

On wanting to work with Quebecers:

I think the people of Quebec would really feel an empathy and a sympathy for Newfoundlanders and Labradoreans [because of the Upper Churchill contract]. I'm not seeing it in the government of Quebec, and I'm not seeing it at Hydro Quebec. And that's really unfortunate because, you know, I've looked at ways and means whereby we can work together, we can tweak extra power out of the north, we can also look at the huge wind opportunity in Labrador and we could be doing that in conjunction with Hydro Quebec. However, if they're going to be unfair to us and treat us unreasonably, then we will look at other alternatives.

On getting the lion ♦s share of benefits:

Originally, Quebec basically just wanted us to dump our power at the border and give it to them very cheaply and thank you very much, we'll just take it and we'll run with it like before. Well that's not on. Our approach on this is that we're going to own the project, we're going to manage it, we are going to construct the project, we

are prepared to work with Quebec and pay them a reasonable tariff, transmission costs for going through to Quebec; but the profit on this project is going to be made by Newfoundlanders and Labradorians. We're not going to pass it over to Quebec and say well just give us back what you think is appropriate like we did in the Upper Churchill. So, you know, it'll take time, you know, we're working through it. I certainly haven't given up on that aspect of the project.

On patience and self-confidence:

These things do take time. We are now in that regulatory process. We have to get a decision from the [inaudible] exactly where we are in the pecking order. So that could come out late this fall, and we expect it to come out late this fall. But, in the meantime, we're working with senior officials of Ontario Hydro. They were in Churchill Falls just two weeks ago, blown away by the project, blown away by the magnitude of the Upper Churchill, also blown away by the fact that if there's Newfoundlanders and Labradorians that built that, constructed it, and operate it and manage it. They see it as a Quebec project but they don't really think we have the expertise. So it's a really good eye-opener for senior officials in Ontario.

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Minister Dunderdale

Telegram, Sept 21, 2006 (Quebec plans would require province's OK; by Jamie Baker)

On headwater flooding:

It's a significant piece of work that will have to be done if anybody is doing any kind of development that impacts our territory. ... They will have to sit down for a very serious discussion with the Province of Newfoundland and Labrador. ... Those headwaters lie within our territory, so any development that would affect anything within our territorial boundaries would have to be negotiated and done with the agreement of the Province of Newfoundland and Labrador.

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Quebec officials' quotes

Quebec Natural Resources Minister Pierre Corbeil

Telegram/ Canwest, Sept 29, 2006 (Williams' remarks considered disrespectful)

Quebec Natural Resources Minister Pierre Corbeil has reacted dismissively to Premier Danny Williams' statements that [his] province is trying to obstruct Newfoundland and Labrador's access to hydroelectric markets.... Corbeil took issue [to] those remarks. In my opinion, the comments Mr. Williams made about the political situation in Quebec were inappropriate and disrespectful towards the citizens of Quebec, he said. We are going to push forward with our objectives for hydroelectric power in Quebec and develop our full potential no matter what Mr. Williams says.

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Mathieu St. Amant, spokesperson for Quebec Natural Resources Minister Pierre Corbeil

CP, Sept 27, 2006 (Quebec too politically 'volatile' to rely on for energy needs: N.L. premier, by Tara Brautigam)

A spokesman for Quebec Natural Resources Minister Pierre Corbeil said the province's hydroelectric plans have nothing to do with infringing upon Newfoundland's right to develop its own power. "We have potential in Quebec and want to develop it. That's the bottom line."

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Thierry Vandal, Hydro-Quebec chief executive officer

paraphrased by Konrad Yakabuski, The Telegram, Sept 27, 2006 (Only the brave gamble...)

Hydro-Quebec's Mr. Vandal countered that the area flooded by the dams will be entirely within Quebec, notwithstanding an age-old dispute between the two provinces over where the border actually lies. Besides, Mr. Vandal pointed out, if Newfoundland has not sought environmental approval from Quebec to proceed with the lower Churchill project, why would Quebec need Newfoundland's approval to build dams on the Romaine? All such projects are subject to federal environmental reviews anyway.

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Benoit Pelletier, Quebec's intergovernmental affairs minister

Telegram, Sept 20, 2006 (Dead in the water; by Jamie Baker)

Pelletier responded [to IGA minister Tom Marshall] with his own letter, stating: Quebec's position regarding these borders is well-known and has not changed in many years. As for our common border in Labrador the Quebec governments of the past and present have never formally endorsed the decision regarding the boundary made by ... the Privy Council in 1927.

Telegram, May 28, 2006 (Quebec-Labrador border not an issue: Williams; by Jamie Baker)

Pelletier also went on to say, the situation does not appear to have prevented our governments from co-operating and negotiating agreements on other issues concerning Labrador.

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Premier Charest

Globe and Mail, Nov 22, 2004 (Charest banking on Hydro projects; by Rhéal Séguin)

Premier Jean Charest has a dream that Quebec can emulate oil-rich Alberta, its coffers overflowing with cash from the export of hydroelectric energy. He told more than 2,400 Liberal Party delegates yesterday that Quebec has the potential to become as rich as Alberta by becoming a major exporter of clean, reliable energy. "Alberta got rich selling oil. Why should we have any scruples about getting rich in selling clean, reliable and renewable electricity to our neighbours?" Mr. Charest said in his closing remarks at the party's convention yesterday.

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Premier Charest

National Post, May 15, 2006 (Hydro projects empower premiers; by Graeme Hamilton)

Mr. Charest, the Liberal Premier facing an election in the next year, badly needs to rally voters who have turned against him. The energy policy published last week

seems inspired by Quebec's last successful Liberal premier, Robert Bourassa, who twice won election with the promise of thousands of dam-building jobs. "The harnessing of our hydro-electric resources is a source of pride as well as a profitable investment," Mr. Charest wrote in his introduction to the new policy.

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>>> Elizabeth Matthews 10/9/2006 3:13:27 PM >>>

Hi Jeff: On Wednesday evening, the premier will be doing an interview with Le Journal (French CBC equivalent to The National). The focus of the interview is the Lower Churchill. Can you please pull together all of the premier's comments regarding Quebec in that regard, and any and all comments from Premier Charest and his ministers/officials. Including Hydro Quebec. A brief, concise listing of key statements is what we need. I've copied Carmel who may be of assistance in providing you with some materials. Thanks Jeff.

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