

709NEWS

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Product Summary:

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VOCM Radio St. John's

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AUDREY WHELAN:Premier Danny Williams has announced that Newfoundland and Labrador Hydro has registered the Lower Churchill project with the Federal and Provincial Environmental Regulatory Agencies. Williams says this is a critical component of the project schedule. It's anticipated that the consultation process will begin early in 2007.

DANNY WILLIAMS:Since I announced in May of this year that the potential development of the Lower Churchill project would be a Newfoundland and Labrador led development, work and planning has progressed significantly. Our decision to lead this project was one that followed a thorough evaluation of several factors. Firstly, the primary objective of our government in developing the Lower Churchill project is to maximize benefits and opportunities and returns for the people of Newfoundland and Labrador. Secondly, we took into consideration our ability as a province just to take this on. It's a massive project, which requires world class expertise and we wanted to be absolutely certain that we had the capability to lead that development. Our view is that on balance we are in the best position to realize our objectives in the development of these hydro-electric resources and yes, we do have the capacity, we do have the knowledge, and we do have the technical capability to undertake such a large project. After all, Newfoundlanders and Labradorians did build the Upper Churchill project, and we continue to operate it today. We may not reap the primary financial benefits, but we certainly take pride in the fact that we built and operate the world class project. Critical in our assessment of our ability to do this project was a financial assessment.

Obviously we need to determine whether we could successfully undertake such a large capital intensive construction project. Our analysis said we certainly can, and there are a couple of very key reasons for that. For starters, the financial position of the province has taken a very positive turn in recent years. With a sound fiscal management plan, and a new arrangement with the federal government on the Atlantic Accord, our government has dramatically turned around the economic fortunes of our province. Last year, we recorded a surplus, and this year, though we may record a small deficit, we have made dramatic improvements to our bottom line. So much so that our three bond rating agencies have given us credit upgrades. We're very proud of that. As well, we have the Prime Minister's commitment to have the federal government's assistance through a federal loan guarantee. In addition to the financial aspect, our experience has proven that we can take on mega projects and complete them successfully.

Within our resource development sector, we have successfully developed several mega projects: Hibernia, Terra Nova, White Rose, and, more recently, Voisey's Bay. The work of our professionals, our trades people, and labourers is a true testament of the capacity and capability of the Newfoundland and Labrador work force. So from the perspectives of project financing and project planning and execution, we know that we are very well positioned to lead this development and quite frankly, I've said it before, I don't think we can afford not to.