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Product Summary:

NEW BRUNSWICK POWER ISSUE: "Premier Danny Williams" calling to talk about the New Brunswick Power issue.

Monday, November 23, 2009 09:41AM Item # 10

VOCM Radio St. John's

Standing Order: NO

Ordered By Fax

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RANDY SIMMS: We're going to go now though and say a very good morning here to the Premier of the province, the Honourable Daniel Williams. Nobody calls you Daniel do they?

DANNY WILLIAMS: No, not at all actually.

RANDY SIMMS: Everybody calls you Danny.

DANNY WILLIAMS: I even christened my son Daniel and they still call him Danny too, you can't shake it.

RANDY SIMMS: They call him Danny as well. You had a very. . .

DANNY WILLIAMS: What I like though, Randy, is people in the province refer to me as Danny too, you know, I don't get a lot of Premier, which I find a really nice touch. I'm sure they can you Randy when you're in the community.

RANDY SIMMS: All the time, all the time and, yeah, you feel more comfortable.

DANNY WILLIAMS: A whole lot more comfortable and it's nice to know that people are comfortable with it too.

RANDY SIMMS: So here's where you are today. I read what went down on the weekend and looks like you and Mr. Graham, while you don't agree, the

impression I got left with in the paper, you tell me if this is fair or not, is that Danny Williams' stand on all of this with New Brunswick Power and what not seems to have softened a little bit.

DANNY WILLIAMS: I guess, I guess it'd probably be more politeness than courtesy. You know what I mean, these Premiers were our guests at Churchill Falls and actually that trip was planned, you know, a long time before this all happened and it was really ironic and very appropriate that we had those discussions in Churchill Falls and, of course, just to get back to your original point, no, I mean my intention here was to be cordial to these Premiers and, you know, when this deal falls apart in New Brunswick in March then at least we'll be in a position where we will be able to go back to New Brunswick and say we're prepared to work together with you.

RANDY SIMMS: Are you satisfied this deal is falling apart?

DANNY WILLIAMS: I think they have big problems up there. There is a groundswell of support very similar to what happened where Clyde Wells and the Liberal government here tried to do exactly the same thing and so it's really starting to go against Premier Graham. I can tell he was under some significant pressure while he was there. But by the same token he was our guest and he was in our province and he had to be treated with courtesy.

RANDY SIMMS: Oh absolutely, yeah. I wouldn't expect you to be taking him about behind the shed, you know.

DANNY WILLIAMS: But I got to tell you that's not to say behind closed doors we didn't have a few words now.

RANDY SIMMS: I would imagine, I would imagine so and there's a big argument here. One of the things that got asked was David Alward, who is the Progressive Conservative Leader of the Opposition in New Brunswick, even said that he wanted Danny Williams to come into New Brunswick and visit during this time, I guess to make the case why New Brunswickers should turn the deal down. That's, you know, that's a direct interference obviously in somebody else's internal politics. Would you do it? Have you considered it? Will you do it if asked?

DANNY WILLIAMS: No, I've been asked by several people to do and the answer is simply no. I don't want to go into New Brunswick on the ground, Randy, to deal with, you know, a domestic issue. You know, it's, like, you know, like I even said to Shawn Graham, Shawn, you know, when this issue affects us and it does, well then obviously New Brunswick is going to get some of that flack on the way through because we have to protect our interests with Quebec and with Hydro Quebec. It, you know, for anybody who's had the opportunity, you've probably been there yourself, to get to go to Churchill Falls, it really resonates with you when you're

standing on the ground there and you go through the plant and you see this massive world class project that Newfoundlanders and Labradorians built and own and manage and operate on our river in our land and we get virtually nothing from it. It's, it's overwhelming, quite frankly. You see the massive hydro lines that are heading off to the west that are heading out to Quebec basically taking all this profit, you know, nearly as much as a couple of billion dollars. It's really shameful. It's really hard to swallow when you stand there as a Newfoundlander and a Labradorian and I got to tell you I just, that's why I think it was very, very important for the other Premiers. The Premier of Nova Scotia, interestingly enough, is very much on side on this. He's very much on side in the argument. You know, he feels that we should have some written guarantee from New Brunswick. We are both going to be sending letters off now to the Premier of New Brunswick asking him for a commitment with respect to access, which is very, very important, and, so, you know, it certainly came home to him. Prince Edward Island is in a bit of a different situation because they're just strictly power purchasers. They're just out trying to buy a cheap power contract. But unlike New Brunswick, you know, they're assets are not being sold off to Quebec and that's a problem with us. I mean our situation here and our concern is that Hydro Quebec have not managed, you know, this properly with respect to Newfoundland and Labrador and what really gives me concern is the way our Opposition and Yvonne Jones are handling this. I mean typical, you know, when everybody is fighting with each other down here and the Opposition are coming after us and saying we're not prepared and it's shameful and it's disgraceful what we're doing and we should be dealing with Quebec and you got people on the airways Roger Grimes was going to deal with Quebec and, you know, you just got to go there and you got to be there and you got to see what we've lost. And now as a result, I mean we have never been better prepared for a Lower Churchill agreement and now that we're in a position to get this done I, for the life of me, can't understand why Hydro Quebec are being so greedy to say, look, Newfoundland get on with your Lower Churchill, we nailed you once, you go ahead and do it and we'll cooperate and we'll do the best we can because they will also get revenue from it. You know, I mean if we have to use any of their lines we're prepared to pay them tariffs, we're prepared to pay them upgrades, we're prepared to pay them any fees that are rightfully due to them so we're not looking for a free ride.

RANDY SIMMS: Well the charge here, Premier, has always been or the understanding has always been that the problem between Quebec and Newfoundland and Labrador was Newfoundland and Labrador's problem. But what you've told us in the last little while and what we're getting reflected back to us these day and age is not that Newfoundland and Labrador is not willing to do a deal with Quebec Hydro. Quebec Hydro is being a complete obstructionist on every corner.

DANNY WILLIAMS: Absolutely. And they basically wanted it for next to nothing. I mean when this, when this deal was going to be done by the Grimes government, I mean the price for power was very, very, very low and, you know, they want us

basically to dump our power off at the Quebec border and then they'll take it and they'll make the big profits. And, you know, on an annual basis they're making nearly two billion dollars Randy. I mean that makes our oil industry over a long period of time just pale by comparison and that's why I went to New York. I mean in New York we went down and we just said, look, here's what's going on and here's the anti-competitive behaviour that's been practiced by Hydro Quebec and, I got to tell you, you know, eyes were really opened. People just came to me afterwards and said thank you for such a frank representation of exactly what's going on. We need to look into this. And, you know, our officials, Kathy Dunderdale was down, Minister Dunderdale, and Ed Martin and they met with people from the City of New York and we're now going to be meeting with FERC officials. There was an article appeared in our local paper the weekend about FERC are going to have a look at this because they can control the power once it crosses the border. So they're concerned about what Quebec is going to do. There's an article in the paper today the minister, the Governor of Maine is very, very concerned on the border as to what's happening between New Brunswick and Quebec and he wants to talk to the Premier of Quebec. But now in that article he also wants to talk to me because he wants to find out what's going on and what the alternatives are. So, you know, we're getting our message out, but we need all Newfoundlanders and Labradorians pulling together on this. I can't for the life of me understand when we're challenging and dealing with such a very serious wrong that's been done to us over the last 40 years and it'll go on for another 30 years why, you know, Yvonne and the Liberals just can't simply get on board and say, look, you know, we're going to support you on this because we all need to be together. But what she does when she does that, she just fuels the Quebec argument. She plays into Quebec's hands. Then they'll quote the Leader of the Opposition in Newfoundland and Labrador who doesn't agree with the Premier who's trying to, you know, get a good deal for the people of the province. So it's just stupid. It's just the simplest way I can put it.

RANDY SIMMS: Yeah, this is, the argument from your perspective here would be let's, this is beyond, this is beyond partisan politics at the local level.

DANNY WILLIAMS: Yeah, absolutely. You know, if we were in a by-election and there's issues in a by-election, deal with them, yes, absolutely. That's just, you know, politics and I accept that and I understand it. But these are, these are such big issues. You know, when we flew up the river and we had the Premiers there and they had to board a helicopter just so they could look at this project, the magnitude, I could just see their eyes opening. I could see Premier Dexter and, you know, this is a 3,000 megawatt project and behind that we have five to ten thousand megawatts of wind. So, you know, we can conceivably be looking at 13,000 megawatts, which is, you know, two and a half times the Upper Churchill, that could be developed out of that whole area if there'd only be a level of cooperation to get it done. And that water flows every day. It's unlike the oil there. The oil's going to run out. But, you know, I think the (inaudible) is equivalent to 250,000 barrels of oil (inaudible) million barrels of oil, right. It's just an

unbelievable amount. Actually that's a quote in the vacuum rather than use that. But let me tell you, the quantities of oil that is comparable to are enormous and so it's an oil field that lasts forever and, you know, that's fuelling a lot of the money that, you know, we're being able to use to put into infrastructure in Newfoundland and Labrador and social programs. So it's important, but the inequity of it really, really, have you been in Churchill Falls, by the way?

RANDY SIMMS: Yes I have, yes.

DANNY WILLIAMS: Have you seen the plant. .

RANDY SIMMS: Years, yeah, many years ago and it is huge.

DANNY WILLIAMS: It's one of the wonders of the world. You walk through those huge caverns down there and you see the technology that's down there.

RANDY SIMMS: It's incredible.

DANNY WILLIAMS: You think, my god, this is ours and we're not getting anything out of it. And not only that, not only do we probably get less than five percent of the revenues from that deal, we pay twice the expenses. We pay two to one on the expenses because we, in fact, own a majority of the shares in CFLCo. The problem is CFLCo. did a contract that was a bad contract so the profits go to Quebec. But we actually have to pay the (inaudible).

RANDY SIMMS: Oh, it's amazing, isn't it?

DANNY WILLIAMS: It is just. .

RANDY SIMMS: And it never stops, not until 2041.

DANNY WILLIAMS: So grossly inequitable it's unbelievable. But, anyway, we got to stay on this and, you know, we've got a lot of attention. We're getting attention across the country. We're not giving up. You know, I'm going to continue to do speaking engagements and tell our story right across the country and, of course, right down to the United States. It's ironic that we have to go stateside in order to get, you know, someone to pay attention to the fact of what, you know, Quebec is doing and the, you know, the danger of this anti-competitive behaviour.

RANDY SIMMS: Let's go back just very quickly to your earlier comment, Premier, before we got to close here. You made reference to you believe in March the New Brunswick deal will die. Does that constitute then an opportunity for Newfoundland and Labrador, and I'm thinking particularly of Nalcor, is there an investment opportunity with New Brunswick? Is there a partnership there after

this deal is dead?

DANNY WILLIAMS: See the irony, Randy, is that there was a partnership there. We were there talking to them and Nova Scotia and Prince Edward Island, as well, if they were interested, with regard to doing a joint Atlantic partnership with respect to transmission and purchase of power and we would generate, of course, in Churchill Falls. What we did not do and which we thought was inappropriate was to go in and offer to buy the assets of New Brunswick Hydro. Because first of all we didn't think for one minute they'd ever be possibly for sale and, secondly, we don't agree with that, you know, another government controlling the jurisdiction and the future and the energy and industrial future of another province. And so as a result we didn't bother because at the same time we were actually talking to New Brunswick about them doing a purchase of, I think, if I can remember correctly, four to five hundred megawatts and also having New Brunswick and Nova Scotia involved as the Maritime energy hub so that we could wheel that power through Nova Scotia, wheel it then into New Brunswick. They could take what they needed after we took what we needed and any surplus power could go into that very, very lucrative American market. And that's really what was going on. So that partnership was offered before. That partnership would be offered afterwards and, of course, that's why it's important that we have good relations with our neighbours. But that's not to say that, you know, behind closed doors we can't tell them, you know, what we think of the danger of, you know, the deal that they're doing, especially when, you know, Premier Graham has sat in Churchill Falls looking at the Upper Churchill and saying, my goodness, they really, you know, sold the farm out here, right, and that kind of a thing. So, you know, I think the exercise was very, very worthwhile and, like I said, Nova Scotia is very much on side. Now we have the Governor of Maine. You're going to see the other, I've spoken to other Governors down in the New England states as well. I've spoken to Rhode Island. I'll be speaking to the other Governors. So, you know, we're going to make sure that they're very, very much aware of what Newfoundland and Labrador is doing and saying about this deal.

RANDY SIMMS: Premier Danny Williams, always a pleasure.

DANNY WILLIAMS: Randy, final thing, I just want to get the people in Terra Nova to make sure that they get out and vote. This is an important by-election. I'm much more comfortable in this by-election, of course, than I was with the one in the Straits. You could see with the issue in Flower's Cove that there was, you know, a contentious issue there that I think people reacted to. But in Terra Nova, different scenario. Yvonne is trying to make an issue of the shipyard in Glovertown, but what she's misrepresenting to the people of that particular district is that that was an offer for ferry service. That was not a tender for new ferries and the Cabinet has basically pulled back on that. They've held that back because when we put out the bid for ferry service the bidders, several of which, most of which were Newfoundland bidders, if not all, actually came back and asked to have these ferries constructed, any new ferries they wanted constructed in Alabama and in

Quebec, of all places. So immediately the department and Cabinet have put that on hold and that's going nowhere.

RANDY SIMMS: As far as you're concerned if new ferries are required you're going to do whatever is necessary to see to it they are built here.

DANNY WILLIAMS: We're going to do whatever we can. We have, you know, there's obviously conditions on the grievance and (inaudible) trade and we have legal opinions on that so we have to make sure we're playing within the rules. But when we see, you know, something coming back that says they want all these ferries built in the States or in Quebec shipyards, you can imagine what my reaction to that was.

RANDY SIMMS: That's not on.

DANNY WILLIAMS: Thanks very much.

RANDY SIMMS: Danny Williams, always a pleasure.

DANNY WILLIAMS: Take care.

RANDY SIMMS: Take care. Bye, bye. Premier, Premier Danny Williams this morning talking about, well, two or three things, in particular Churchill, certainly about the contract on the ferry service, the coastal ferry service and a few words for the Leader of the Opposition to come on, get on side here. As well, of course, everybody get out and vote on Thursday.