



“DEATH BY A THOUSAND CUTS”

CLOSING REMARKS

TO THE

JOINT PANEL REVIEWING THE PROPOSED

**LOWER CHURCHILL HYDROELECTRIC GENERATION
PROJECT**

April 15th, 2011

By Grand Riverkeeper® Labrador Inc.

**Clarice Blake Rudkowski, Roberta Frampton Benefiel and
Carly Thompson**

The presentation on the first two pages is from a young adult member of Grand Riverkeeper, Carly Thomson. Carly's family on her mother's side were born and raised in the community of Mudlake. Carly made a presentation to the Joint Panel when they visited Mudlake for the Community Hearings and wanted to also make some closing remarks today at the final session. Her comments are below.

To the panel, I strongly believe that it is your duty to recommend, without concessions, that this project be denied.

You have been given a lot of information over the past weeks about the benefits and concerns of the proposed project. The business community, the politicians, Nalcor and the government departments all speak to the wonderful economic outcomes this project will bring. In a nutshell they are suggesting that economic benefits, which are themselves debatable for the people of Labrador, outweigh the environmental, social, cultural and historical costs. That is simply not true. The combined total worth of the environment including all vegetation, fish and wildlife, the loss of historical sites, the cultural relevance to the people of this region, the untapped tourism opportunities and the cost to the social fabric of the area far exceeds any financial gains.

It seems very odd to me that even the Department of Tourism, Culture and Recreation supports this project. Its mission statement reads in part "By 2011, the Department of Tourism, Culture and Recreation will have supported and promoted the development of the tourism and culture and heritage industries, ...preserved tangible and intangible heritage resources...to improve the... well being of the people of Newfoundland and Labrador". Its mandate is to "support the development of sustainable economic growth in tourism and cultural industries" and to "Preserve the province's cultural heritage and historic resources and recognize their importance". It is painfully clear that the department has abandoned its own vision and mandate as it relates to Labrador and its people. They are not doing their job, they are failing us. It should not be ok with a department whose job it is to preserve and protect our heritage to destroy the largest, richest most significant historical site in central Labrador. If provincial government departments represented Labrador fairly, they would be

adamantly opposed to the destruction of such a rich cultural and historical resource and potentially unparalleled tourism gem the Grand River could be.

For every environmental concern raised, the proponent answers that based on their research they predict that any negative impact will be minimal or short term. They predict that there should no significant changes to the fall ice formation, to the vegetation, to the river water levels, to the fish habitat or to our way of life. But, what is a prediction? It is nothing more than a best guess. Of course, they will predict or guess favourable outcomes to support their own agenda.

The issue then becomes what will be the impact of errors. What might the impact be if Nalcor is indeed wrong...perhaps a species or two may lose it's habitat; perhaps water levels will change so significantly that boat travel will be impossible; perhaps the water will become and forever remain murky unable to support trout and salmon; perhaps the ice will not form to a sufficient thickness to allow for safe travel in the winter; perhaps mercury will be introduced into the water system at such levels that fish will no longer be safe for human consumption; perhaps drinking water will become contaminated; or perhaps the dam will fail and the river valley will flood with such force and speed that evacuation would be impossible. Lives will be lost, homes swept away and entire landscapes changed forever.

That has to be weighed against the money that will be generated for the provincial coffers. By proceeding with the project, Nalcor and the province are saying that the risks to Labrador, it's people, the environment, the culture, the way of life, is worth it as long as Newfoundland prospers.

I realize that Nalcor has a mandate to secure alternate power resources to replace the Holyrood refinery. Well, please keep exploring options, I wish you luck with that. It can't be this river because we are not finished with it yet and we are simply not willing to accept the devastation and risks this project will bring.

Finally, it can and likely will be the death of a community. A community that relies on the river for everything, the river is the only means of transportation. I am referring of course to Mud Lake, my community of origin. It is one of the oldest communities in the area and it is steeped in history. The people of Mud Lake don't refer to it as the "Churchill River" or the "Hamilton River" or even the "Grand River" to us it is simply "The

River”. Its significance is so great that when we say “the River” we know what is being referred to. Without “The River” there can be no Mud Lake, this project threatens Mud Lake’s very existence. No business venture should trump the right of a community to exist.

**Clarice Blake Rudkowski, President, Grand Riverkeeper
Labrador, Inc.**

“Death by a thousand cuts” refers to slow slicing, a form of torture and execution originating from Imperial China. In today’s world the expression refers to creeping normalcy, the way a major negative change which happens slowly in many unnoticed increments, is not perceived as objectionable.

.....Wikipediain

Grand Riverkeeper Labrador, Inc. is convinced that our Territory, our Home, will die by a thousand cuts if Nalcor energy is permitted to put two dams on the lower part of Grand River. Already, the rest of the major rivers in the Territory have been studied for their hydro-electric potential. Already, the uranium industry and other mining companies have hundreds of claims staked throughout. Already, our MHA has been talking of bringing an aluminum smelter to Labrador! Already, our caribou herds are losing habitat and numbers at unprecedented rates. Already our fish have been contaminated with methylmercury and this will certainly continue if those dams are built!

One project at a time, with creeping normalcy, our home will be changed from the near pristine wilderness we currently enjoy to a territory crisscrossed with roads and power lines; filled with Walmarts; ponds fished out along the highways and

transmission lines because of lack of wildlife officers; filled with gaping holes in the ground where minerals once lay, and more than likely a mixture of uranium dust and radioactivity all around us. And each and every one of these “cuts” will require that one more river be dammed to provide the energy needed to support this extraction styled development.

Where will it end? When will Labrador residents get to decide for themselves, where, when, how, and how fast they want these “cuts” to take place? Unfortunately, not until a fair voting system is introduced where Labrador residents have the right to decide what takes place in their territory, without fear of being out-voted by an entirely different culture in an entirely different geographic region of the Province.

Grand Riverkeeper Labrador has learned a lot from this Environmental Assessment process - from the different presenters, the experts, the people in the audience and from the insightful questions asked of the Proponent by the Panel Members.

We were pleasantly surprised that most of the presenters within the communities did not want to see the river dammed or the Project proceed as proposed.

What we have learned from the rest of our communities has totally galvanized us. It has inspired us beyond even our own understanding of the detrimental, long-term, environmental and social effects this Project would have overall on our region. Taking from us without our permission, an icon such as this River, is akin to taking our pride, our source of connection to where we are and who we are! It is akin to cultural genocide for those of us who connect strongly with the land and the River.

This proposed project is an environmental disaster! The significant, adverse, environmental effects will far outweigh the few “crumbs” of benefits that will accrue to Labrador. Viable alternatives to damming this River exist as we heard time and time again from different presenters including Mr. Raphals yesterday. Yet they were never considered in any meaningful way by Nalcor or the Government of Newfoundland. Make no mistake, we are totally aware that those two entities are one and the same and finding the separation between them would be difficult if not impossible. We were made painfully aware throughout these hearings that the Regulators appointed to protect the land, the waters, the animals, the vegetation and the people who live within that environment, are no more than puppets of a government hell bent on a political legacy to dam this and every other river in Labrador. While it appeared they had reservations about many of the same issues that we had, in the end, their mantra was the same as that of Nalcor’s “no significant adverse environmental effects”!

ECONOMIC IMPACTS

Economic impacts have not been presented in a manner that the average citizen can understand. No comparison of economic impacts of alternatives was presented. such as better ways to spend 12 billion dollars that might better benefit the Province as a whole and Labrador specifically. As well, no cost-benefit analysis was presented. The Federal government does require cost-benefit analysis for all regulatory change in Canada through the Regulatory Impact Assessment Statements (submitted as part of the regulatory change process). While dam approval is not a regulatory change, it is a much larger project with more impacts on Canadians than those from small regulatory changes. From a Federal

perspective, it would make sense to revisit the environmental assessment procedures to ensure coherence between them.

The Proponent discusses economic impacts mostly from the perspective of the BOOM of construction jobs and spin-offs as their main economic impact. There are only vague promises of how Labrador will benefit economically after the construction phase is complete. They are trying to use economic impact analysis – the spin-offs for local business - as economic justification.

Grand Riverkeeper Labrador Inc. has consistently asked that a proper cost-benefit analysis be done for the project, which would include all costs, including the transmission lines to take all power to market, (or at least estimates of the various possible scenarios) as well as the dollar value of all non-market costs of such things as ecosystem services provided by the River and the dollar value of lost opportunities due to the loss of the river; for example, eco-tourism.

In one of our presentations, Grand Riverkeeper talked about all the major rivers in Labrador that have been studied for their hydro potential: The Eagle, the Paradise, the Alexis, the Pinware, the Elizabeth, the Pinware, the Kenamu, the Fig, etc.

The Panel is aware of the political situation in Labrador – 4 seats in the House of Assembly versus 44 on the Island. We will have no political say when the time comes to dam each of these rivers, just like we will be paid no heed in respect to the Grand River.

**RESERVOIR PREPARATION, FILLING,
OPERATION AND DECOMMISSIONING**

Reservoir preparation:

The full clearing scenario has been touted by the Proponent as too expensive and consequently they have chosen a partial clearing option stating that it is the least cost that meets operational, environmental, and safety requirements of the Project. Yet various experts have stated that full clearing is necessary to reduce as much as possible, the contamination by methyl-mercury, emissions of methane and CO₂, and the danger posed by stick-ups and floating debris.

Reservoir filling:

The possibility, no matter how unlikely, of reservoir induced seismic activity that might cause dam failure during or right after reservoir filling has been dismissed by the Proponent time and time again as “unlikely”. Even though the Proponent’s own consultant has presented a main dam- break scenario and maps showing that lower portions of the town of Happy Valley-Goose Bay, including one of two roads that would be used for evacuation, and all of Mud Lake would be inundated within 2.3 hours. Over and over again throughout the hearings the Proponent steadfastly states this scenario is “unlikely” as though to dismiss the severity of this event should it ever happen.

It should be noted that the earthquake that struck just a month ago off the coast of Japan, churned up a devastating tsunami that swept over cities and farmland in the northern part of the country. It created the worst nuclear crisis since Chernobyl at the Fukushima Daiichi Nuclear Power Plant. Thousands of people are dead and thousands of others are still missing. The earthquake and resultant dam break in Sichuan province, China, in May

2008, killed over 80,000 people and 100's of other dams were damaged. These were also "unlikely" events.

The Proponent has also made no offer, at this time, to provide financial assistance to either of these communities that would help them prepare an evacuation plan and an evacuation route that would ensure that lives would not be lost should this "unlikely" event take place. This is unacceptable and Grand Riverkeeper Labrador Inc. asks the Panel to insist that a workable evacuation plan be presented to the residents of these two communities for approval before any further discussion on this Project takes place. Nalcor insists that they will "work with" the communities in question to "assist" them in preparing an evacuation plan for all possible types of catastrophic events that "might" occur, effectively, in our opinion, dismissing the fact that the proposed Dams would be the main threat to the communities. Nalcor seems to want to diminish the threat of possible dam breaks by throwing in other possible events that MIGHT happen. By insisting that they will work with the affected communities to prepare an evacuation plan for all types of catastrophic events they are effectively downplaying the gravity of the possible failure of their dams. Grand Riverkeeper contends that if Nalcor builds the dams, then it is their total responsibility to protect the communities downstream.

Reservoir Operation:

In our past presentations and submissions, Grand Riverkeeper Labrador has quoted the World Commission on Dams report "Dams and Development, and the Millennium Ecosystem Assessment to provide the Panel with scientific information about flow regimes, reduction in sediment and nutrient transport, changes in water

turbidity and physical modification of rivers creating habitat change as being the most important direct drivers of biodiversity loss globally. We have forwarded information about 29 countries that have sought to minimize ecosystem impacts by using environmental flow requirements. And we have asked that Nalcor consider the cumulative effects of the Upper Churchill and the Lower Churchill and determine how the flow patterns could be reversed in the Upper Churchill Project to better mimic environmental flows to re-establish what originally existed downstream. We need only to look at the number of river diversions and dams within Canada to see what these kinds of alterations have wrought. Yet, we are expected to believe that, this time, Nalcor, in all its wisdom, will not allow these adverse effects to happen, that they can mitigate everything.

Decommissioning:

Nalcor's dam decommissioning report states that full decommissioning of both the Gull Island and Muskrat Falls dams in 50 to 100 years would cost (in today's dollars) \$5, 373,691,390. That's five billion, 374 million dollars. However, if we consider just 2% inflation over the next 100 years that figure would be more like 35 Billion dollars.

Contrary to Nalcor's assertion that dams will last into perpetuity, Grand Riverkeeper contends that a decommissioning fund needs to be set aside now to cover the eventuality of decommissioning so that future generations are not saddled with this debt. We also contend that the future cost of decommissioning should be added to the total cost of the project.

AQUATIC ENVIRONMENT

Ashkui, or “open water”, are areas of early or permanent open water on rivers, lakes and estuaries and at the confluences of rivers. They are sites where migrating waterfowl congregate to rest and feed, on their way north to breed. Many of these ashkui will be lost due to heavier ice cover and changes in flow rates. Nalcor states new sites will form. However, Grand Riverkeeper and others, including Environment Canada have stated that it is unlikely that any open water forming after inundation will be as productive as the original sites since those have resulted over years and years of sediment trapping and vegetation growth. In Grand Riverkeeper Labrador’s opinion, there is considerable uncertainty with regards to formation of productive ashkui. Ashkui cannot be replicated and this will have a huge negative impact on waterfowl.

EFFECTS BEYOND THE MOUTH OF THE RIVER

Grand Riverkeeper and others, including various experts, have consistently stated that the Project will have adverse effects beyond the mouth of the river. The Canadian Science Advisory Secretariat, in their science evaluation of the environmental impact statement for the Lower Churchill Generation project state: “The exclusion of the receiving environment below Muskrat Falls, including Lake Melville from the project description within the EIS was viewed as a major deficiency.” Yet, Nalcor continues to assert the project will have no effects beyond the mouth of the river.

Grand Riverkeeper Labrador asks that the Panel insist that complete studies be done to ascertain the cumulative effects downstream, out into Goose Bay, Lake Melville and beyond.

FISH HABITAT COMPENSATION

Grand Riverkeeper Labrador has consistently advised the Panel of our lack of confidence in the ability of both Nalcor and the Department of Fisheries and Oceans to create fish habitat, or to monitor and follow-up on any attempt at creating fish habitat. We have quoted studies by DFO's own scientists and reports by the Commissioner of the Environment to explain our reasoning. We are also not convinced that the fish assemblage will remain the same as before impoundment and we have heard various fish experts make that determination. i.e. Dr. R.J. Gibson, Dr. Gordon Hartman, Dr. David Rosenberg, etc. Nothing Nalcor has said to date has convinced us otherwise. We ask the Panel to consider the magnitude of what Nalcor proposes in their Fish Habitat Compensation package and require them to provide dollar figures on what this compensation, monitoring and follow-up will cost and to include these on the cost side of a cost-benefit analysis.

ENVIRONMENTAL MANAGEMENT, MONITORING AND FOLLOW-UP

Grand Riverkeeper Labrador has stated time and time again throughout these hearings that we have no confidence in Nalcor's ability to monitor and follow-up on the creation of new fish habitat, the creation of new

ashkui, and the creation of new wetlands. We have quoted various studies and the Auditor General's reports to back up our statements. It is our contention that one small project, the Granite Canal, does not qualify Nalcor for the magnitude of this Project. The failure of the Star Lake project could be considered a wash for the seeming success of the Granite Canal. The increased complexity of this huge undertaking surely will lead to increased risks and uncertainties, as stated by Dr. Gordon Hartman in his critique of Taseko's Prosperity Mine project. As with the Prosperity Mine, the Lower Churchill Project is larger in scale and more complex than the majority of compensation plans that have been approved in Canada. Dr. Hartman states, "after reviewing key documents on large scale fish habitat compensation (Birtwell et al. 2005, Hartman and Miles 2001, Lange et al. 2001, Packman et al. 2006) we have found no Canadian example of a successfully implemented plan to compensate for such a large area of highly valued, productive and complex freshwater ecosystem as the current proposal by Taseko."

Grand Riverkeeper Labrador contends that the Lower Churchill Fish compensation plan is of a magnitude equal to the Taseko project and will not work!

THIS PROJECT IS NOT FOR LABRADOR

As we have stated time and time again, this Project is not being built for Labrador. Our coastal communities will remain on diesel. Others will benefit from the power and while we understand that producing electricity will always have some externalities, it is unfair that Labrador residents will reap all of these externalities while Island residents will reap the

benefits. Part of the justification of the project is to meet the Island's needs for power and the shut down of the polluting Holyrood plant. We agree that Islanders deserve not to be forced to breathe the pollutants from this dirty plant, but there are ways to produce enough power to either replace Holyrood, or at least discontinue it for most of the year by installing wind turbines in various locations across the Island. As Mr. Raphals stated in his submission on Wednesday and spoke on again yesterday, the Island of Newfoundland has the best wind power potential of any place in Canada and it seems a total travesty to ignore this much-greener alternative to damming the largest river in eastern Canada.

However, with regards to wind energy, Nalcor consistently states that installing wind is counterproductive because if NLH has a Power Purchase Agreement to buy too much wind power, it will result in spilling from the hydro system during the summer.

While it is true that baseload wind power can't all be used effectively, without either storage or a transmission link. Both are feasible, eventually -- perhaps hydrogen-based storage, like in the pilot project at Ramea, or the Maritime Link. But, even without them, the price advantage of wind power compared to Muskrat Falls (6.5 cents compared to 14.3 cents) is so great that, even if a third or even a half of the wind power were wasted, it would still be cheaper than Muskrat Falls -- and with much lower environmental and social externalities.

The economics are even better if Nalcor is the developer, instead of buying the wind power under a Power Purchase Agreement. It would have a lower cost of capital, and lower risk premiums, so the overall unit cost would be lower.

IN CLOSING

This project is viewed with a great deal of uncertainty, skepticism and mistrust based on a history of exploitation and promises not kept. This came home to us late yesterday afternoon when Nalcor filed its final 195-page written submission, far too late for us to read and respond to. It demonstrated a shocking abuse of process.

As we stated in our April 5th presentation to the Panel in St. John's, what we should be thinking of at this challenging time in our history as humans is a bigger question than just whether we should dam one more river. What we should be asking ourselves, is how do we consciously create the future that we want? How do we bring ourselves into a mutually-enhancing relationship with not only each other but with the entire earth community? Is damming yet another massive river and its watershed conducive to "sustainable development" or are there better ways to provide the energy needed for the betterment of our lives and the lives of our families? Or, in fact, do we just need to re-assess and re-distribute what we already have and be thankful that what is currently available to us here in Newfoundland and Labrador is not available to two thirds of the world's population.

Is an increase in Gross Domestic Product or Gross National Product what constitutes "sustainable development", or is that just an impossible theorem called "sustainable growth"; an oxymoron since continuous growth in a finite system such as our earth obviously must reach a limit and may already have! The question is, when will the earth reach its limit? When will that last dammed river be the one that "breaks the camel's back" or the one that destroys the last

ecosystem capable of maintaining the food and water necessary to our survival?

In Labrador, the Grand River is our main artery. It has history going back thousands of years. Many of the people in this territory who live along its banks, and even those who live in our coastal communities and in Western Labrador, far from the Grand River, connect with this river, in song, in stories, through family ties, and in their hearts.

Currently, the protection of our river rests with this environmental assessment process and we urge you to consider in your deliberations and final report, all the “cuts”, both past, current and future, that, if taken, will cause the eventual death of this river. We urge you to consider the words of the community members who have spoken from their hearts about their concerns with regards to the usurpation of this River by outsiders, resulting in the usurpation of a foundation of their culture. This massive River and its valley stand as an icon of their understanding of what it means to be “home”! To have it damaged and controlled by outsiders is akin to cultural genocide!

Since this is just the first of many major rivers in Labrador already studied and slated for hydro potential, we ask the Panel to consider the “long-term” cumulative effects of this current Project, not just in conjunction with possible future mines, or other types of developments currently planned, but also in conjunction with the apparent plans of NL Hydro, now Nalcor, to develop the hydro potential of every major river in Southern Labrador.

Tribute to Marth Kostuch and Gerald Dyson by Roberta.

We want now to acknowledge two friends of the River who are no longer with us.

Martha Kostuch: passed away on April 23, 2008.

Martha campaigned to stop the building of the Oldman River Dam and followed with a legal campaign resulting in environmental improvements to the project when the Dam was approved and a Supreme Court decision that environmental protection is in the jurisdiction of both the federal and provincial governments. She also worked tirelessly on the Clean Air Strategic Alliance committee and was part of the effort that resulted in the reductions to air pollution.

Martha came here to Labrador and facilitated a workshop with our group even while she was gravely ill. She said to us at that workshop, I would like to help save one more River. Martha has been with us constantly throughout this hearing process.

Gerald Dyson: Mr Dyson was an elder and member of NunatuKavut Community Council and a long-time member of Grand Riverkeeper Labrador. He passed away on February 13, this year, just two weeks after the love of his life, Lockie, succumbed to cancer. His children said he died of a broken heart.

Gerald was always a strong advocate for the River. He attended as many Grand Riverkeeper meetings and assessment meetings as he could, even if he had to walk, and he often did. We have a DVD of an interview that was done last summer with Gerald talking about the River, but unfortunately we are unable to play it. However, we know Gerald is here with us

today and if he could speak to you he would tell you! Please, don't dam this River!

Again, Panel members, we wish you courage in your deliberations and thank you again for listening.