

Groups try to block Muskrat Falls permits; Lawyers argue assessment work never completed

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ST. JOHN'S, N.L. - Lawyers for opponents of Muskrat Falls are in Federal Court in Ottawa arguing that the proposed hydro project in Labrador never got a full environmental review.

Groups including environmental and aboriginal challengers say a joint federal-provincial panel did not complete its assessment and that its work can't lawfully support Ottawa's approval.

Lawyer Lara Tessaro, representing Sierra Club Canada and Grand Riverkeeper Labrador, says the panel failed to completely study the need for the dam and power station or possible alternatives.

In the absence of a fuller analysis to justify Muskrat Falls, "we say that the federal government should not be allowed to issue any permits or the loan guarantee for the project," she said Monday from Ottawa.

"In my view, it would be a shocking thing for the province to sanction the project while the legality of its environmental assessment is before the court."

The hearing that started Monday is scheduled through Wednesday. Any judgment would likely be weeks or months away.

Federal Natural Resources Minister Joe Oliver has said Muskrat Falls is economically viable and that the terms of a promised federal loan guarantee or financial equivalent are being worked out.

The provincial government is waiting on that support before it officially approves the development that's expected to cost at least \$7.4 billion.

Crown corporation Nalcor Energy's plan with private Nova Scotia utility Emera is to bring hydro power from the lower Churchill River in Labrador to Newfoundland and Nova Scotia using subsea cables. The project has been endorsed "using the best utility practices in the world," Premier Kathy Dunderdale has said.

But the joint environmental review panel acknowledged that damage to fish and other wildlife habitat would be extensive.

Todd Russell, president of the NunatuKavut Community Council representing the Inuit-Metis of southern Labrador, says the province has failed to adequately consult his people or include them in Muskrat Falls benefits.

"We're asking the court to force the panel to complete its assessment," he said from Ottawa as the hearing was about to begin. "And we're asking the court to order that the federal government not issue any loan guarantees or any federal permits until the panel does its work."

- Caption: Muskrat Falls on the Churchill River in Labrador.(Paul Daly / CP)
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