

Date : 5/1/2012 12:59:31 PM

From : "Maclean, Heather"

To : "Shute, Tracy"

Subject : can you print for minister kennedy?

Attachment : KMs - OAM - May 1, 2012.doc;Km SNC Lavalin.doc;KMs - 2011 Public Awareness Campaign on LCP - May 1.doc;

Heather MacLean

Director of Communications

Department of Natural Resources

T: 729.5282 C: 697.4137

heathermaclean@gov.nl.ca

Key Messages**Budget 2012 – Funding of OAM****May 1, 2012**

Funding of \$765,000 is allocated to the Mineral Development division for ongoing maintenance and safety of dams at orphaned and abandoned mines in the province, and continues our efforts to secure former mine sites in Newfoundland and Labrador.

Funding will be used to continue a program of regular tailings dam safety reviews and maintenance at former mine sites in the province.

The continued program of regular tailings dam safety reviews and maintenance will be done in accordance with the Canadian Dam Association's Dam Safety Guidelines.

We are taking action to mitigate any potential risks in the interest of environmental safety by ensuring the integrity of tailings pond dams in the province, and to protect our natural environment.

This funding will build on the financial investment we made last year in Budget 2011. We invested \$510,000 to assess and remediate tailings dams associated with orphaned or abandoned mines in Newfoundland and Labrador. The mine sites included the former Consolidated Rambler copper mine near Baie Verte; the former Daniel's Harbour zinc mine near Daniel's Harbour; the former Whalesback copper mine near Springdale; and the former Gullbridge copper mine near South Brook.

Clean-up after the failure of dam tailing structures is a complicated and expensive process. It makes more sense for the province to continue with a program now that ensures proper periodic maintenance of these tailing structures.

The breakdown of costs associated with the \$765,000 are as follows: \$75,000 for dam safety review of Minworth tailings (former St. Lawrence Fluorspar tailings facility); \$70,000 for inspection / engineering services to oversee repairs to OAMs this year; and \$620,000 for repairs to OAM dams (note the 620,000 estimate is based on 2010 preliminary inspections that were done on the dams).

The repairs to be done are dependent on the final recommendations and priorities set in the Dam Safety Reviews for Whalesback, Gullbridge and Rambler. The reports should be final by mid-June. We have draft reports for Gullbridge and Whalesback that are being reviewed. It appears that Gullbridge requires the most work so the money will likely be focused there.

All work will be publicly tendered.

Our ongoing work on the maintenance and safety of dams at orphaned and abandoned mine sites in the province is part of the Provincial Government's long-standing commitment to responsible mineral development in the best interest of residents of Newfoundland and Labrador, and in the communities in which they live.

Legislation requires that all current mining operations have plans and finances in place to ensure that when a mine closes, environmental and safety hazards are mitigated.

SNC-Lavalin – Arrest of Former Executive VP**Key Messages****May 1, 2012**

Former SNC Executive Vice-President, Riadh Ben Aissa, has been placed under arrest in Switzerland - he left the company on February 9, 2011. He had no involvement in work associated with Muskrat Falls.

SNC-Lavalin is one of the leading construction and engineering companies in the world. (over 28,000 employees operating in countries around the world)

SNC-Lavalin is a Canadian company with offices across Canada and around the world, including Newfoundland and Labrador. Engineering and procurement for the Lower Churchill Project will be performed primarily from SNC-Lavalin's office in St. John's

We have confidence in the work of SNC Lavalin - there is no association with the division responsible for the contracted work awarded to SNC on the Lower Churchill and the arrest of the former exec. VP.

Our relationship with SNC is solid and we have confidence in their abilities to deliver on their work commitments.

SNC-Lavalin specializes in hydroelectric developments, transmission, HVdc and civil works which are critical to successful project construction.

Nalcor awarded the engineering, procurement and construction management (EPCM) contract for components of Phase 1 of the Lower Churchill Project, Muskrat Falls, to SNC-Lavalin in early 2011. The contract was awarded through a detailed RFP process. There were three bidders and SCN was identified as having the best technical and cost value.

The EPCM contract includes the Muskrat Falls Generating Facility and the Labrador – Island Transmission Link. Nalcor may also extend the contract for work on Phase II – Gull Island and the Maritime Link. A decision on an EPCM contractor for the Maritime Link will be made in conjunction with Nalcor's partner, Emera Inc. The contract does not include the Strait of Belle Isle subsea crossing or the Maritime Link. Nalcor Energy will conduct the work related to the strait crossing using a specialized contractor.

Key Messages**2011 LCP Public Awareness Campaign****May 1, 2012**

Background

In January 2011, the Department of Natural Resources decided to proceed with the development of a public awareness campaign to inform Newfoundlanders and Labradorians about the project and its associated benefits.

Public hearings by the Joint Panel as part of their review of the proposed development were set to run from March 3 to April 15. The department did not feel it was appropriate to conduct a campaign during the public hearings, and decided to run it for a six-week period beginning May 23, 2011.

The department issued a Limited Request for Proposals (RFP) with a submission deadline of January 28, 2011. The RFP encouraged interested proponents to use a wide variety of advertising sources in their proposal including television ads; radio ads; print advertisements; internet advertisements such as a dedicated project webpage, Facebook, and Twitter; residential householder; posters; billboard and mobile advertisements; and, promotional videos.

M5 Marketing Communications was the sole agency who submitted a proposal to the department. In early March, the department entered into a contract with M5 for account management, art production and direction, and creative/copywriting. Work on development of the campaign would include concept development, TV production, printing, website development, and digital and media placement.

Due to a number of factors including project objectives and messaging reflected in draft materials; consultation with other government departments and Nalcor; and, campaign costs the start of the public media campaign was delayed. At the end of July, the department made the decision to cancel the proposed campaign especially in light of the upcoming October 2011 provincial general election.

The Official Opposition was aware of the province's intent to run a public media campaign for the Lower Churchill Project due to comments made by the former Minister of Natural Resources in a year-end interview with the Telegram.

Upon the department's decision to postpone the campaign, the department received an information request under the Access to Information and Protection of Privacy Act (ATIPPA) on July 5, 2011. On July 29, 2011, an official cost estimate was sent to the applicant and payment was received on August 19, 2011. An official final response to the request was sent to the applicant on November 14, 2011.

Costs

No costs were released as a result of the request.

The total budget for the campaign, including agency fees and media buy, was \$300,000.

The department was charged cancellation costs for television spots only which included CBC (\$14,000) and NTV (\$22,038). In total, the department was charged \$36,038.

The department's intent was to donate the television spots to the Voluntary and Non-Profit Secretariat to assist with their public education campaign.

Messages

The Provincial Government postponed the release of a public awareness campaign related to Muskrat Falls due to sensitivities associated with timing and the upcoming October 2011 provincial general election.

The Provincial Government postponed the release of a public awareness campaign related to Muskrat Falls due to the necessary time and review required to ensure the creative materials met the department's objectives.

Timing of a public awareness campaign remains under consideration.