Charles Bown <charleswesleybown███████████

Fw: Concern

1 message

Bown, Charles W. <cbown@gov.nl.ca>   Mon, May 7, 2012 at 10:04 AM
To: charleswesleybown@████████

------Original Message------
To: Jerome Kennedy
To: Brian Taylor
To: Robert Thompson
Cc: Ed Martin
Subject: Fw: Concern
Sent: May 3, 2012 8:02 PM

Met with NRCan and shared my concerns with the vagueness and interpretation of the letter. NS confirmed that also they had not seen the messaging from NRCan.

NRCan advised that they their intent was to seek a means to facilitate the negotiations on the Term Sheets and to prevent a situation where the MOA constrained us from getting the Term Sheets in place until some time in 2013. He apologized on the misinterpretation of the letter.

They have already started the process for getting a negotiating mandate and expect to have it in the first week of June.

I pushed for a compressed negotiating schedule with NL tabling a process and schedule that would see a concentrated effort. He agreed.

I've also scheduled another session on May 17 to dig deeper into the nalcor emera agreements and keep the process moving in advance of receiving a mandate.

I also made it clear that once we get the term sheets on the nalcor projects in place, that there can be no pulling out if emera fails to do ML. There was an acceptance from NRCan that this is reasonable but we would need to discuss more.

There was also a re-affirmation that their objective is to get us the best credit rating.

I get a sense that they are committed to seeing this through but that they never bought into the 8 week clock. We have two options: push them on the eight week clock but they won't likely start that until they get the negotiating mandate. The other option is to continue pushing to discuss the agreements while they are getting a mandate and get them to agree to a negotiating schedule.

The meeting today on the nalcor emera agreements went very well and through 4.5 hours of explaining the deal, and the agreements, we able to address all of the Big questions and they are much more at ease about the risk.
Charles

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Sent: May 3, 2012 6:19 PM

In Minister Oliver's letter to Minister Kennedy, he advised that, because Emera can't get all its info into the data room until mid-next year, then the Term Sheets couldn't be concluded under the MOA. To address this, he proposed to use existing info from Emera and we would move forward to conclude the Term Sheets on that basis.

In discussing next steps here today, NRCan characterized this proposal as doing away with the eight week clock and getting on with negotiations to conclude the Term Sheets. They will have a negotiating mandate by late May-early June and that we would start negotiations at that point and continue in earnest until its done.

There are a number of obvious concerns with this proposal:
1. This is a change to the MOA. The letter from Minister Oliver was not explicit on this point;
2. The trigger to start negotiations was having all data in the data room. This is amended now by adding the requirement for a negotiating mandate.; and
3. The eight week clock was designed to ensure that these negotiations don't go on forever. While a delay was always likely, in this proposal it is almost assured.

I have asked for a meeting at the end of this current session to provide ourselves and NS with an appropriate explanation. I've already voiced my displeasure with his interpretation of the letter and deliberate vagueness. I will report back after that meeting.
Charles

Sent Via BlackBerry