



NUNATSIAVUT
kavamanga Government

Honorable Kathy Dunderdale
Premier of Newfoundland and Labrador
Confederation Building, East Block
P.O. Box 8700
St. John's, NL
A1B 4J6

August 31, 2011

Re: Panel report and recommendations on proposed Lower Churchill Hydroelectric Generation project and Inuit involvement in the way forward

Dear Premier Dunderdale,

As you are well aware, the recently released, independent Panel Report on the proposed Lower Churchill Hydroelectric Generation project contained 83 recommendations to be implemented, should the Project be approved.

The Nunatsiavut Government spent considerable time participating in the environmental assessment process for the Lower Churchill Generation project in order to assert its views that the project would have potential negative impacts on Labrador Inuit and their environment, culture and way of life, especially on Inuit living in the Upper Lake Melville area and Rigolet. The proponent, Nalcor Energy, did not consider that Inuit would be affected by its project and essentially excluded Labrador Inuit from their analysis of project impacts.

The Nunatsiavut Government made approximately 30 separate submissions to the Panel. These submissions involved collaboration with scientific experts and Inuit experts. The Nunatsiavut Government is pleased to see that the Panel found many of our concerns to be valid and agreed with many of our recommendations. Although we will be submitting thorough technical comments to the

25 Ikajuktauvik Road, PO Box 70, Nain, NL, Canada A0P 1L0 ► Tel: 709.922.2942 Fax: 709.922.2931 ► Email: nain_reception@nunatsiavut.com

Makkovik
PO Box 92
Makkovik, NL A0P 1J0
Tel: 709.923.2365
Fax: 709.923.2366

Hopedale
PO Box 91
Hopedale, NL A0P 1G0
Tel: 709.933.3777
Fax: 709.933.3746

Rigolet
PO Box 47
Rigolet, NL A0P 1P0
Tel: 709.947.3383
Fax: 709.947.3371

Postville
General Delivery
Postville, NL A0P 1N0
Tel: 709.479.9880
Fax: 709.479.9891

Happy Valley - Goose Bay
1A Hillcrest Road, PO Box 909, Stn. 'B'
Happy Valley - Goose Bay, NL A0P 1E0
Tel: 709.896.8582
Fax: 709.896.2610

North West River
7-13 River Road, PO Box 234
North West River, NL A0P 1M0
Tel: 709.497.8356
Fax: 709.497.8311

appropriate Provincial and Federal Departments responsible at a later date, we thought it was important to highlight several important points in advance. Key issues and recommendations include:

Potential bioaccumulation of mercury

- The Panel concluded that Nalcor did not carry out a full assessment of the fate of mercury in the downstream environment, including potential pathways that could lead to mercury bioaccumulation in seal and fish and the potential for cumulative effects of the Project together with effects of other sources of mercury. This statement from the Panel differs significantly from Nalcor's assertions throughout the environmental assessment process that they were certain that there would be no measurable downstream effects from the project. Nunatsiavut Government expertise (both Inuit Knowledge and scientific) suggests that there will be effects on the downstream environment as a result of dam construction.

Importance of fishing and seal hunting to Inuit

- The Panel also recognized the dietary and cultural importance of fishing and seal hunting in the downstream areas of Goose Bay and Lake Melville, including the Labrador Inuit Settlement Area, concluding that there would be significant adverse effects on the pursuit of traditional harvesting activities by Labrador Inuit, including the harvesting of country foods, should consumption advisories be required. We are therefore pleased that the panel recommended a new, comprehensive assessment of downstream effects with independent third-party oversight and review. The Panel also recommended that Nalcor be required to enter into negotiations with parties representing resource users in Goose Bay and Lake Melville (i.e. Inuit) regarding further mitigation, where possible, or compensation measures, including financial redress if necessary, should the study indicate that consumption advisories be required in this area.

Other recommendations

- Additionally, we are pleased to see several other recommendations, including those surrounding low-income housing, aquatic monitoring, George River caribou, land and resource use, training, infrastructure, communication, environmental management and human health also included.

Inuit involvement in the way forward

It is clear that the Panel has given their report thoughtful consideration and there is still a lot of work to be done for this project to benefit Inuit, and indeed all of Labrador and the Province. Most importantly, the Panel report provides a solid independent, unbiased starting point that recognizes potential significant adverse effects on Inuit and the importance of including Inuit within this process. As a result of this report, we are looking forward to no longer being excluded from the table and having our views and concerns on the Project meaningfully considered by Nalcor and the Province, similar to how the independent Panel considered them. Most importantly, we are looking forward to being an integral part of Lower Churchill discussions with the Province and Nalcor from this point forward.

To facilitate this process, I propose a meeting between political leaders of the Province of Newfoundland and Labrador and the Nunatsiavut Government and senior representatives of Nalcor Energy. Ideally, this would include a minimum of yourself, Minister Pottle and Minister Wiseman on behalf of the Province as well as Ed Martin and Gilbert Bennett from Nalcor Energy. We are proposing that the meeting be held in St. John's during the afternoon of Monday September 19, 2011. Please advise whether the Province would be able to meet on this date or provide an alternative date, if necessary.

Sincerely,



James Lyall
President
Nunatsiavut Government

cc. Glen Sheppard, Minister of Lands and Natural Resources, Nunatsiavut Government
Ross Wiseman, Minister of Environment and Conservation, Government of Newfoundland and Labrador
Patty Pottle, Minister of Aboriginal Affairs, Government of Newfoundland and Labrador
Ed Martin, President and Chief Executive Officer, Nalcor Energy
Gilbert Bennett, Vice President, Lower Churchill, Nalcor Energy
Peter Kent, Minister of Environment, Government of Canada
Keith Ashfield, Minister of Fisheries and Oceans, Government of Canada
Peter Penashue, Minister of Intergovernmental Affairs, Government of Canada