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**Cc :** "Maclean, Heather"

**Subject :** FYI - HOA Issues

**Attachment :** HOA - Issues Raised - March 23.doc;MF Campaign Communications Plan - March 16, 2011.doc;

Dawn/Charles - In preparation for tomorrow morning, here is a summary of the last two days in the House.

Dawn – We've also updated the plan drafted re MF campaign. Thought we would provide as an FYI as it includes recent issues raised by Danny D, Roger G and Todd R.

**House of Assembly  
Issues – Muskrat Falls**

**Question Period - March 22, 2011**

**Holyrood**

- Amount of electricity generated
- When is that electricity used in the province
- Muskrat Falls power will only be used during the winter months
- Cost of upgrade work

**Capital Costs**

- Muskrat Falls power will only be used during the winter months
- \$6.2 is too high to pay for power that will only be used a few months during the year

**Other Renewable Developments**

- Province has ample small-scale hydro and wind resources at its disposal
- Compared with Muskrat Falls, these are economically feasible. Muskrat Falls is not.
- Reference to inventory commissioned by Newfoundland and Labrador Hydro that identified 160 small-scale hydro sites deemed feasible

**Muskrat Falls Surplus Power**

- No transmission capacity to move power through the Maritimes and into New England so how does province expect to get this power to market without the appropriate capacity

**Cost Overruns**

- Province is paying half of the cost overruns on Emera's \$1.2 transmission line that they own
- Nalcor, and as a result taxpayers, are going to be responsible for any shortfalls associated with this project

**Question Period - March 23, 2011**

**Emera**

- In response to Premier's statement that Nalcor will be a 67 percent owner of the Maritime Link, Term Sheet states that Emera will own 100 percent of the Maritime Link for 35 years.

**Cost Overruns**

- Province is paying half of the cost overruns on Emera's \$1.2 transmission line that they own
- Nalcor, and as a result taxpayers, are going to be responsible for any shortfalls associated with this project

**Capital Costs**

- Breakdown of how capital costs are allocated between the province and Emera

**Muskrat Falls Surplus Power**

- No transmission capacity to move power through the Maritimes and into New England so how does province expect to get this power to market without the appropriate capacity
- In response to Premier's statement that power will be available for potential sale opportunities with New Brunswick and P.E.I, the question was put forth that no contracts have been reached

**Growing Demand in the Province**

- Rationale for Muskrat Falls
- Access to information that proves this assertion
- Lack and refusal to supply information on growing electricity demand in the province

**Media Scrums****Premier Dunderdale, March 22, 2011**

- Financing of project
- Increased provincial debt
- Information sessions on Muskrat Falls
- Status of outstanding issues, particularly loan guarantee

**Yvonne Jones, March 22, 2011**

- Lack of information and public debate on Muskrat Falls
- Increasing electricity rates
- Increased provincial and personal debt
- Muskrat Falls is "an uneconomic project"

**Premier Dunderdale, March 23, 2011**

- Status of outstanding issues, particularly loan guarantee
- Timelines for project in light of outstanding issues and potential Federal election

**COMMUNICATIONS PLAN**  
**Department of Natural Resources**

**Title: Public Awareness Campaign for Muskrat Falls Hydroelectric Development**

<p><b>Consulted with:</b>                  Richard Wardle, Deputy Minister (A) – Department of Natural Resources                   Charles Bown, Associate Deputy Minister – Department of Natural Resources</p>	<p><b>Drafted:</b>                  January 9, 2011   <b>Revised:</b> March 16, 2011</p>	<p><b>Communications Activities:</b>                  Identified in plan</p>
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**Communications Analysis**

**Public Environment**

On November 18, 2010, the Government of Newfoundland and Labrador announced the signing of a Term Sheet between Nalcor Energy and Emera Inc. An announcement took place in St. John’s which included then premier Danny Williams and current premier Kathy Dunderdale, Premier Darrell Dexter of Nova Scotia, Ed Martin of Nalcor Energy (Nalcor) and Chris Huskilson of Emera Inc. (Emera). Also present were Grand Chief Joseph Riche of the Innu Nation and Chief Sebastian Benuen of Sheshatshiu.

Following this announcement, Minister Dunderdale traveled to Halifax along with Gilbert Bennett of Nalcor, to participate in an announcement with Premier Dexter, Minister Bill Estabrooks, Nova Scotia’s Minister of Transportation and Infrastructure Renewal and Mr. Huskilson. Coinciding with this, Premier Williams traveled to Labrador to participate in an announcement with Ed Martin of Nalcor. Minister Hickey and Minister Pottle attended. Also present were Grand Chief Joseph Riche of the Innu Nation and Chief Sebastian Benuen of Sheshatshiu.

**Day of Announcement**

On the day of the announcement, reaction was extremely positive from those in attendance as well as individuals and groups throughout the province. Business and labour leaders were positive and looked forward to the work associated with the project and the associated benefits to accrue to the province. Some examples of public comment from the business community include:

- Derek Sullivan, St. John’s Board of Trade - “This is a key development for harnessing the vast potential of the Lower Churchill, for securing long-term clean and sustainable energy, for stabilizing electricity rates for businesses and residents, and for being the beneficiaries of our own provincial resources.”
- Bradley George, Canadian Federation of Independent Business - “We’re building on some of the great announcements we heard about Hebron the other year which is going to bring in jobs and now we have Muskrat Falls coming on. More jobs to

the province. How can you not be optimistic in this province? So between the revenue coming in this job creation, it's just a fantastic day for business."

- Lana Payne, Newfoundland and Labrador Federation of Labour – "It really is going to change the economic landscape for our province and for our region. I mean, obviously the thousands of jobs that are going to be created which will be good-paying jobs are incredibly important for Newfoundland families and workers."
- Linda Bartlett, Newfoundland and Labrador Environmental Industries Association – "I mean, any project like this has its advantages and disadvantages. But, I think overall, it will reduce this province's dependence on fossil fuels. So, that in and of itself, is terrific."

Both political opposition parties issued news releases on the day of the announcement. Interviews by Acting Liberal Leader Kelvin Parsons and NDP Leader Lorraine Michael were conducted with CBC, NTV and the Telegram. Their response in the news releases on the day of the announcement included the following:

- Acting Liberal Leader Kelvin Parsons – "The biggest detail missing is how much more money consumers in this province will have to pay for electricity in order to cover the capital cost of this project. Another missing element is the financing cost."
- Acting Liberal Leader Kelvin Parsons on the Innu Nation obtaining a land claim agreement with Ottawa and ratifying the New Dawn Agreement - "Unless these longstanding differences are settled in a timely fashion, a construction start date in 2011 is questionable. It has also been brought to our attention that there has been no consultation with the Metis of Labrador and that this could cause further complications for the project."
- Acting Liberal Leader Kelvin Parsons on the project's environmental component - "The joint federal-provincial panel that was struck to study the full lower Churchill project, Gull Island and Muskrat Falls, has expressed concern about the substantial changes to the original proposal."
- NDP Leader Lorraine Michael – "This project appears to be a good deal for Newfoundland and Labrador. However it is a far cry from the larger Lower Churchill project promised by Danny Williams to the people of the province that would include the 824 megawatts from Muskrat falls and over 2000 megawatts from Gull Island."
- NDP Leader Lorraine Michael – "There are still many hurdles to clear before this deal can happen including ratification of the New Dawn agreement, settlement of land claims with the Labrador Innu and a much longer environmental assessment process. The Premier has stated that construction for this project will begin in 2011, I have serious doubts about that timeline."

Questions were also raised in Labrador about the deal and how it would benefit the region in particular. Opponents to the deal appeared on CBC Radio and VOXM's Open Line and Back Talk programs starting November 19. Majority of airplay was received during the end of November and in early December. Examples of comments include:

- Yvonne Jones, Official Liberal Leader – “Of all, we pay the highest commercial diesel rates as anywhere else in North America, and the irony is that we have a mega development once again on our doorstep that we’re not going to see any immediate benefits from Labrador communities and Labrador people. And that is very disheartening, and in fact, you know when you look at this deal in its entirety it doesn’t meet in my mind what Labradorian expectations have been.”
- Larry Rumbolt, Mayor of Mary’s Harbour – “Once again, we’re left out in the cold and we have another natural resource here that’s being exploited by the province and seems to be the norm always for Labrador. You know the capacity is just not there for Labrador to setup anymore business or for any development because everything is just being sent out of Labrador to be processed somewhere else.”
- Todd Russell, Member of Parliament for Labrador – “What we’ve seen in this deal is that we will reap the destruction of a great resource, but will receive none of the benefits. People are very very upset that nobody on the coast, no community on the coast, will receive any benefit. There are those who say that the power will go out over some 1100 kilometres and we will end up with higher power rates. It is a poorly structured deal; it doesn’t have a Labrador benefit package included and it doesn’t respect Aboriginal rights.”
- Chris Montague, Nunatukavut President – “I think there’s many unanswered questions and assumptions and the big question is, has the premier moved in before considering all angles again? And I think the project rests on a false premise, a very important one, and the false premise is that there’s only one Aboriginal group to address in the area. Of course, there are others including the Southern Inuit of Nunatukavut.”

However, several groups and community leaders in Labrador have indicated that there were positives for the region as a result of the deal and voiced their support.

- Ron Barron, Mayor of Wabush – “Well, you know, it’s a good deal with what you’re looking at here. You know anybody that can come out and just be negative about this announcement, I mean you can’t and you know this is going to be something that’s going to play out over the next few years to see how the benefits are going to come especially to the Labrador region and time is going to tell, you know?”
- Sterling Peyton, President of the Labrador North Chamber of Commerce – “The sheer size of the project itself, the whole community is just going to expend so much over the life of the project. And also there will be a fair bit of stability after this project is finished.”

- Carol Best, Executive Director of the Central Labrador Economic Development Board – “There maybe chances for people to shift from one type of resource development project to another. I think that’s the key here. This isn’t one project. There’s a series of projects that we’ll see stability in the workforce because of that.”

#### Following Initial Announcement

Since the initial announcement, the Liberal opposition have continued to raise questions with eleven news releases being issued to highlight perceived flaws with the deal. The Liberal opposition contends in the public forum that Emera will receive free power as part of the deal, that there will be increased debt for the province and that electricity rates will increase. Some criticism in Liberal opposition news releases by both Acting Leader of the Opposition Kelvin Parsons and Leader of the Opposition Yvonne Jones include:

- November 23 - “The premier and Minister Dunderdale have a lot of explaining to do. People are not being told the real costs of developing this project. Not only will our electrical bills go up substantially, but our provincial debt is also going to skyrocket. What that means for everyone’s taxes has yet to be disclosed.”
- December 10 - “The premier has admitted Muskrat Falls power will cost at least 14.3 cents per kilowatt hour to bring to the island. But she isn’t saying that the main purchaser of that energy, Newfoundland Power, has to cover its costs too. Currently, Newfoundland Power buys its energy from Nalcor at a rate of 3.5 cents per kilowatt hour and tacks another six cents per kilowatt hour onto the bill to consumers to cover its costs and rate of return. So what we’re looking at is at least 20.3 cents per kilowatt hour at the door. That’s a jump in electricity bills of 114 per cent.”
- December 14 - “So far during this short session of the House, the premier has failed to provide any information that justifies this deal. She has failed to refute our contention that Muskrat Falls will see electricity prices skyrocket by at least 114 per cent. She has said nothing to prove her case that Holyrood power will be costlier than Muskrat power. And she has done nothing to prove us wrong when we say that Emera will get free power for 35 years.”
- December 16 - “We know electricity rates for consumers will jump at least 114 per cent. What we don’t know is how much energy costs will go up for businesses and industrial users. And they don’t know either. We know that some of them have asked Nalcor officials for details but have been unable to get answers.”
- February 1 – “Despite repeated attempts by staff in our office to obtain this information, Nalcor officials have continuously stonewalled us. I would remind the senior management at Nalcor that they are working for a Crown Corporation, and as such have an obligation to their employers, the people of Newfoundland and Labrador, to provide information about a project that will add \$4.2 billion to the public debt and see an exorbitant increase in base electricity rates.”

- March 10 – “Ms. Dunderdale gave material to Prime Minister Stephen Harper to consider as part of her request for a federal loan guarantee and a \$375 million Public-Private Partnership grant. The onus is on Ms. Dunderdale to share that information with the owners of this proposed project, namely the people of Newfoundland and Labrador, who will have to backstop the project with their taxes and higher power bills.”

The Liberal opposition has also been in the media criticizing the deal for providing Emera with ownership of the project and terming it a “giveaway.” Following the announcement, Acting Liberal Leader Kelvin Parsons appeared on VOCM’s Open Line and Back Talk to discuss the deal. On November 29, he also appeared on Out of the Fog.

Examples of his comments include:

- Open Line, November 23 – “We’ve totally shelved Gull Island now. We’ve decided to go with Muskrat Falls. This is not the Lower Churchill deal as any leader in our history ever contemplated.”
- Backtalk, November 23 – “Now we’re only getting less than one quarter of the promise of the Lower Churchill in terms of megawatts. We’re now only getting 825 megawatts.”
- Out of the Fog, November 29 – “Is it the best deal for \$4.2 billion from our point of view which all goes added to the public debt? Where are we going to get the money? At what rate are we going to borrow the money?”
- Out of the Fog, November 29 – “Serious issues around Emera. The fact being that they’re getting 170 megawatts of power free for the next 35 years. Why Emera rather than someone else? Why was the province of Nova Scotia actually not a signatory to the deal? What’s the situation when it comes to Maine and the supposed surplus that we’re going to have to sell to Maine?”

Further, the Liberal opposition has indicated that they do not believe the rationale offered by the Provincial Government and Nalcor for why this project is required. They indicate that simply refurbishing Holyrood and using the province’s oil and gas would be less costly and supply power to the province. They do not support the notion that the cost of oil is continuing to rise, despite what numerous world-respected agencies such as PIRA Energy Group and the International Energy Agency. Some commentary by Acting Liberal Leader Kelvin Parsons includes:

- Out of the Fog, November 29 – “If you look at the very general statement that we need to replace Holyrood. That’s fine, but when you look at the underlying assumptions, at what cost. For example, you heard in the announcement that we’re going to be 98 per cent green once this project is done. Well, the fact is that leads to the assumption of where are we now? Someone might say well are going to go from 10 per cent green now to 98 green. That’s a great achievement. The fact is we’re already 91 per cent green in this province now from our hydro resources and the way we generate hydro.”

- Out of the Fog, November 29 – “People are saying what the price of a barrel of oil is, but nobody knows what those projections are. They’re making up the projections. Sure, it was only five years ago that we had oil at \$22 a barrel. We boost it up to \$149 a barrel there last year. We haven’t been over \$85 this year. So, who knows where the oil prices are going to be. I heard Mr. Martin banting around saying it was going to be \$600 to 800 million to replace Holyrood. Is that even accurate?”

Residents of Holyrood reacted positively to the announcement in relation to the Holyrood thermal generating station and its use of Bunker C fuel. On November 21, Gary Goobie, Holyrood’s mayor, appeared on NTV. Although the closing of the station translates into a loss of jobs for the area, Goobie indicated talks would be held with the Provincial Government to address this issue.

- “I mean, the people of Holyrood are absolutely delighted in the fact that power will now be transmitted from Muskrat Falls just outside of Goose Bay, Labrador down through the Straits and eventually ending up at Soldier’s Pond, therefore eliminating the need completely for the hydro generating station in Holyrood.”
- “Obviously employment will be affected. At this point, we don’t know what the impact is going to be. I was advised by representative of Hydro and Nalcor Energy that there will be a liaison put in place to deal with the employees, affected employees, as well as towns and all other parties.”

On January 11, the Liberal opposition issued a news release criticizing the Provincial Government’s rejection of a proposal for a wind farm in Argenta. Opposition Environment Critic Roland Butler said it was evidence of the PC government’s determination to proceed with the Muskrat Falls project at any price. He stated the following in the news release:

- “The proposal called for the development of nine wind turbines for a combined energy output of 27 megawatts. At an estimated total cost of \$60 million, the cost per megawatt would be almost 3 ½ times cheaper to produce than energy from Muskrat Falls.”

Former premier Roger Grimes has raised questions about the deal as has former Member of the House of Assembly and member of the Board of Directors of Newfoundland and Labrador Hydro Danny Dumaresque.

Roger Grimes appeared on CBC Radio, VOXM’s Open Line and Backtalk programs approximately nine times in November. His comments include:

- Open Line, November 2 – “The fact of the matter is there was a great deal for Newfoundland and Labrador on the table when he took over as Premier seven years ago. If he wanted to tinker with it a bit and change a few things, fine. But, we’ve had seven years of a lost opportunity for the province. Come out and tell us why I’m wrong and what has changed so drastically in seven years to make a

project that's been studied for 25 years being the lower part of the Lower Churchill. I mean, Muskrat Falls is the smaller part. Its never been deemed to be economic under any circumstance by itself and now the Premier says at his annual meeting of the PC Party, this is what we'll do, we'll start with this."

- CBC Radio, St. John's, November 19 – "Never mind what might happen in 20 or 30 years, on this deal Emera gets the lion's share. We get guaranteed higher rates and they're saying oh yeah, but at least we're going to be green."
- CBC Radio, St. John's, November 19 – "The Premier is giving away 200 megawatts which is worth over \$3 billion for 35 years or so to a company that's not Hydro Quebec. So, he's going to make another very wealthy company somewhere else other than Newfoundland and Labrador otherwise. And its just nowhere close to the kind of deal that should be done or could be done if we didn't have a Premier who was so focused on hating Quebec that he can't see anything else."

Danny Dumaresque has appeared on VOXM's Open Line and Backtalk programs approximately seven times between November and January. In January, he also appeared on CBC's Evening Newshour questioning information related to the 2009 recall power deal the province signed with Emera. His claim is that it is worth less than supplying this power to Hydro Quebec.

- Open Line, November 19 – "Sadly, you know, I have no option but to conclude that this is probably one of the worst deals that we could ever imagine being put together under the current circumstances. We are going to give away 200 megawatts of power to a private corporation in Nova Scotia for 35 years for zero cents."
- Backtalk, November 24 – "What is at stake is should we be paying 100 per cent more for our electricity bill in ten years time and saddling our taxpayers with 40 per cent more debt when we have other options?"
- Open Line, December 7 – "That is what the government is admitting. Over the next eight years, this project combined with what they say is going to be an explosion in oil prices, is going to double our electricity bill."

In February, Dumaresque continued to voice his opposition. He appeared three times on VOXM's Backtalk and Nightline to focus on the 2009 recall power deal, loss of revenue, and increasing electricity rates. Additionally, he traveled to Ottawa to address the House of Commons' Newfoundland and Labrador caucus and met with the Federal Opposition's Natural Resources critic.

- Nightline, February 1 – "That deal guaranteed us and I was there to put the stamps on the cheques as they went through Hydro into the general revenue account of the government. Under that deal, we were guaranteed \$50 million a year cash paid at the border with no transmission fee and no marketing fee. And, of course, as the government has said in the legislature and through its press release at the time,

they decided rather than to renew another five year deal with similar terms which included by the way a two percent inflationary protection.”

- Nightline, February 1 – “But, at the present time, I want to let people be made aware that here we have the Premier of the province on December 1<sup>st</sup> of last year, telling everybody that there will be an increase of almost 40 percent over the next six years in your electricity bills.”
- Backtalk, February 23 – “And we have been selling our power through Quebec for the last year and a half since we took it away from Hydro Quebec and selling it at the border. The irony is that, of course, we’re paying Hydro Quebec now \$19.2 million a year. They’re getting nearly \$20 million a year and at the same time the net result is that the taxpayers of this province are losing \$20 million.”

To counter this, Premier Dunderdale, Minister Skinner and Ed Martin have all participated on VOCM’s Open Line and Back Talk to refute the claims made by Roger Grimes and Danny Dumaresque. Two editorials, one from Premier Dunderdale and Minister Skinner, have appeared in the Western Star and the Telegram. Both were done to provide accurate information on the deal including the issue of rising electricity rates and the decision to partner with Emera. At the end of December, Minister Skinner conducted an interview with the Telegram to reiterate the importance of this deal and the impact it will have on the people of the province, while also countering false claims by those opposed to the deal.

#### Aboriginal Protests

At the time of the November 18 announcement, Innu Nation Grand Chief Joseph Riche praised the agreement, but noted that the project would not proceed without the approval of the Innu. Soon after, the Nunatsiavut Government issued a news release neither endorsing or opposing the development and calling for assurances that Labrador Inuit communities see direct benefits such as lower electricity rates and additional capacity, and no significant negative environmental impacts.

- November 23 – Roadside protest held in Labrador by groups who are opposed to the development of Muskrat Falls. Some members of the Innu Nation participated, including Elisabeth Penashue, Innu Elder.
- December 10 – A protest outside of the Labrador Affairs office in Happy Valley-Goose Bay by the Nunatukavut Community Council (NCC). NCC has stated that it will oppose the project if it is not party to an Impacts and Benefits Agreement (IBA) with Nalcor. The NCC, led by their president Chris Montague, have been vocal about their perceived exclusion from the project and have stated they wish to have an impact and benefits agreement similar to the one agreed to between the Innu Nation and the Provincial Government. They indicate they cannot support the project otherwise as it destroys much of their traditional hunting and trapping territory. The leadership of Nunatukavut has threatened to not allow the project to move forward if they do not receive such an agreement.

In November, on CBC Radio, Happy Valley-Goose Bay, Elisabeth Penashue stated her opposition to the deal:

- “We don't agree with what happened last week on the - when our leaders went to St. John's and signed some agreement with the Newfoundland government and we are here to show that we don't support that and also we are asking why are things being done in such a hurry to move ahead with it when we the Innu will lose so much.”
- “Yes we are against the New Dawn agreement because we don't understand, it hasn't been explained to us and what we see, what is being said we don't agree with the New Dawn agreement on the things that we do understand.”

In November, on VOXM News prior to the NCC protest, Chris Montague stated:

- “What the overall movement is doing here and what we've decided to do is to choose December 10 as a time of expression of our indignation over the idea of having a hydro project setup, destroying a river in Labrador and shipping out 100 per cent of the power to Newfoundland and other parts of Canada without anything being left for Labrador.”

Since staging this demonstration, the NCC has been relatively quiet on its demands for an IBA associated with the Muskrat Falls development. While the public focus may now be on the Innu, who must give approval for the project to proceed, the NCC still have the potential to take action – legal or otherwise - that could cause serious delay to the project. Some Innu are opposed to the development as they feel it will also destroy their traditional land which they still use for hunting and trapping and subsistence.

The Joint Panel reviewing the proposed project started public hearings on March 3, and will conclude on April 15. These hearings allow Nalcor to present the project and its research on the potential environment impacts , while providing an opportunity for the public, governments, Aboriginal groups, and other interested individuals and organization to express their views, concerns and support of the project.

On February 28, an application for an injunction was filed by the NCC to stop the panel hearings. The matter was heard in Supreme Court on March 9 with Justice Richard LeBlanc's decision expected March 18. NCC has the opportunity to highlight its concerns regarding potential adverse effects of the project through the ongoing public hearings.

Another protest in Happy-Valley Goose Bay occurred on March 15 by the not-for-profit organization Friends of Grand River. Participant Jim Learning has stated that the main issue of concern is the adverse environmental impacts associated with the development of Muskrat Falls. The organization has indicated its intent to continue its protest as the development proceeds.

Residents of the north and south coasts of Labrador have raised concerns about their high cost of power and what they perceive as not receiving benefits from this development.

The Provincial Government has indicated to these residents that the cost of connecting to the development would be extremely high and thus result in increased rates for residents. That being said, the province recognizes the need for clean sources of energy – as opposed to the diesel generation these isolated communities now rely upon – and is reviewing options. It has been indicated that connection to North Coast communities may be possible in conjunction with industrial industry growth in the region. As well, the Provincial Government announced November 18, 2010 that it is committing \$2.5 million for the second phase of a study into alternative energy for coastal communities, particularly small-scale hydro. It is expected work on this part of the study will commence in the spring of 2011 and be concluded in two years. This announcement did not seem to receive major take up and questions do remain about benefits for these communities from the Muskrat Falls development.

In December, Labrador M.P. Todd Russell conducted a survey throughout the region to gauge the opinions of Labradorians on the proposed Muskrat Falls development. The surveys were sent to all households in Labrador by mail and it was also available on-line. When the results were released in February, it was claimed that they revealed the lack of support for the proposed project by all Labradorians. Russell also held a telephone virtual town hall meeting in February to gather further input from Labradorians. According to a news release issued on his website, Russell stated that over 2,100 callers participated in the call and identified a series of concerns associated with the project including adverse impacts on the environment, rising electricity rates and power to Labrador's coast, and long-term economic and employment benefits for the people of Labrador. Russell has indicated his lack of support for this project as it does not truly benefit the residents of Labrador, as well as his lack of support for requested P3 funding from the Government of Canada.

### **Strategic Considerations**

This communications plan recommends that the Minister of Natural Resources continue to meet with the executives of various groups and associations across the province. These meetings will not be public, but will provide the minister an opportunity to discuss this project with a largely professional audience. These meetings would be in addition to speaking engagements with the larger membership of these groups and associations.

As this campaign may be considered by some to be political, it will be important to ensure that Nalcor, particularly CEO Ed Martin, plays a role. Mr. Martin contains a high degree of credibility within the business community and the public at large and his delivering the message of the project will be important.

Building on third-party support of the campaign, opportunities will be sought to identify other individuals, businesses and organizations not related to government that will be able to act as third-party endorsements for the project. Reaction was extremely positive from business and labour leaders in attendance at the announcement. Their comments will be considered for inclusion in relevant communication materials such as news releases and speeches.

Particular emphasis will be placed on engaging residents of Labrador to answer questions and respond to concerns related to the project. It will be extremely important to arrange

speaking opportunities in all regions of Labrador. Happy Valley-Goose Bay, Labrador West and both the north and south coasts will be critical to arranging speaking events and/or meetings.

The cost of the recommended advertising component will likely be criticized by the opposition parties and the media. Such campaigns are often met with scrutiny and usually termed by the opposition parties as the government attempting to buy support from the public with their own money. Such criticism will likely increase as the province is nine months from a provincial general election. This criticism can be countered by indicating this campaign is an opportunity to inform the public about this project and the benefits that will accrue to them as development proceeds. It will be important to clearly show that this project is a project for the people of Newfoundland and Labrador and the economic success of this province; it is not politically motivated.

The Provincial Government may be criticized for trying to override opposition to the agreement with a media campaign in an attempt to avoid debate on the merits of the project and the outstanding issues. This can be countered by indicating that the campaign is designed simply to inform Newfoundlanders and Labradorians about the benefits of this important resource project for the province. If anything, such a campaign ensures residents are better informed and encourages dialogue and discussion.

Building upon the Provincial Government's Youth Retention and Attraction Strategy, youth will be targeted during the public awareness campaign to highlight the importance of the project and the long-term benefits it has for them. This will be a component in all recommended aspects of the campaign.

It will be very important for this campaign not to exclude any region of the province. While undoubtedly certain areas of the province will see more direct impacts of this project, every Newfoundlander and Labradorian will benefit and it will be important to ensure that information is provided to as many residents as possible.

On January 14, 2011 the Joint Panel for environmental review of the Lower Churchill Project announced that the environmental impact statement and other information provided by Nalcor is sufficient to proceed with public hearings on the project. These hearings will commence March 3, 2011 in Happy Valley-Goose Bay and the hearings process is expected to last 45 days. There will be three types of sessions: (1) general hearing sessions in Happy Valley-Goose Bay and St. John's where participants can provide their comment on the project; (2) topic-specific sessions which will allow participants to focus upon specific aspects of the project such as economic and social impacts or project need; and (3) community hearings which will take place in the Labrador communities of Mud Lake, Northwest River, Sheshatshiu, Cartwright, Rigolet and Nain as well as the Quebec Innu community of Sept-Iles. A list of hearing dates and locations has been appended to this communications plan.

While the hearings will provide Nalcor an opportunity to present information on the project, it is likely that the sessions will contain both supporting and opposing presentations to the project and likely in Labrador there will be an emphasis on the latter as those opposed to the project probably are more likely to give a presentation. It is also

possible that protests by those opposed to the project will occur at some of these hearings. While such opposition may occur, the Provincial Government is pleased that the environmental assessment process is moving forward as this demonstrates the quality of work Nalcor has completed for this process, which is a remaining part of the approval process. As the opposition parties were critical of the environmental process being an outstanding piece before development is approved – and the NDP have also indicated they believe environmental assessment should be separate for generation and transmission – this is an important step forward in the process. When the Muskrat Falls project was announced some media and the opposition questioned whether doing the Muskrat Falls portion of the Lower Churchill Project first would affect the environmental assessment process but these questions have now been answered.

Conducting an advertising campaign during the environmental assessment hearings would not be prudent. Such a campaign may be considered by some as an attempt by the Provincial Government to sway support of presenters or to counter negative commentary which arises during the hearings. It would be advisable to not conduct the campaign during the hearings nor immediately before the hearings commence and immediately after the hearings conclude. As such, the campaign should not run during the period of February 24, 2011 to April 25, 2011.

### **Target Audiences**

#### External

Public

Media

Political Parties

Innu Nation

Nunatsiavut

Nunatukavut Community Council

Municipalities Newfoundland and Labrador

Boards of Trade

Chambers of Commerce

Newfoundland and Labrador Employers Council

Federation of Labour

National Union of Public and General Employees

The Canadian Union of Public Employees

Trade unions such as Local 740 Plumbers and Pipefitter's Union

Canadian Federation of Students Newfoundland and Labrador Chapter and Post-Secondary Institutions

Student unions

Newfoundland and Labrador Oil and Gas Industries Association

Canadian Association of Petroleum Producers

Provincial Advisory Council on the Status of Women

Office of Women Apprentices

Women in Resource Development

Service Organizations – e.g. Rotary Clubs, Kiwanis

Economic Development Boards

Professional Associations – e.g. Association of Professional Engineers and Geoscientists

Newfoundland and Labrador Construction Industry Association

Political Party District Associations  
 Newfoundland and Labrador Association of Technology Industries  
 Newfoundland and Labrador Environmental Industries Association  
 Memorial University  
 College of the North Atlantic  
 Research and Development Corporation of Newfoundland and Labrador

*Internal*

Executive Council  
 Department of Labrador and Aboriginal Affairs  
 Department of Environment and Conservation  
 Department of Finance

**Consultation**

Associated with this campaign the Minister of Natural Resources will meet with individuals and organizations to explain the Muskrat Falls agreement and answer questions.

**Communications Objectives**

- To provide to residents of Newfoundland and Labrador an overview of the Muskrat Falls Hydroelectric Development and the benefits of this project for every Newfoundlander and Labradorian.
- To respond to, clarify and correct the ill-informed and inaccurate information circulating in the public domain about the Muskrat Falls Hydroelectric Development. This includes specifically addressing rising electricity rates, Labrador coastal access, financing, Aboriginal concerns, excess power, the environmental assessment process and the next steps for the project.
- To demonstrate the Provincial Government's commitment to providing information on the project and participating in a transparent process and meaningful discussion on the project.

**Communications Strategy**

**Messages**

The signing of the term sheet between Nalcor and Emera was a historic event in the history of our province. It is important that all residents of the province receive information about the benefits of developing Muskrat Falls as part of the Lower Churchill Project.

Our government encourages debate on this agreement and is willing to answer any questions which the people of Newfoundland and Labrador may have about the project.

We clearly recognize the need for debate and encourage each and every Newfoundlander and Labradorian to learn more about the project and become engaged in the public discussion of this project.

The development of the Lower Churchill with the Muskrat Falls mega-project further solidifies Newfoundland and Labrador's position as an energy warehouse and places us amongst the world's energy superpowers.

It is the singular, largest hydroelectric generation project in the offing in the county – bigger than each station of the four-station La Romaine project in Quebec and bigger in energy output per year than the Peace River project in British Columbia.

For far too long power generated from the Churchill River has been held hostage by the province of Quebec for its own benefit. Through this arrangement to develop the Lower Churchill we are reclaiming this resource for our benefit.

Residents of Labrador will see tremendous benefits from the development of Muskrat Falls. This development will provide a source of power for industrial development in Labrador and also ensure that after the Innu Nation, Labradorians will receive first priority for the many jobs and service and supply work required for the project.

Our Energy Plan was clear that we would seek long-term stability for the ratepayers of Newfoundland and Labrador and acquire a secure and environmentally friendly source of power. Muskrat Falls accomplishes this and will produce the long-term stability and avoid the volatility of oil-reliant power used at Holyrood.

Reputable international agencies forecast that the price of oil will continue to escalate and surpass the \$100 per barrel price and thus electricity rates are going to rise until we bring on the clean energy associated with Muskrat Falls.

As a result of this agreement, Newfoundland and Labrador will have an electricity system that will be greater than 98 per cent carbon free which far exceeds any national or international standard and is supplied by a secure and reliable source.

When Muskrat Falls is on stream and delivering clean, renewable hydro power to the province, rates will stabilize and will remain so long into the future.

Muskrat Falls is the solution; not the problem.

We are extremely pleased with the decision of the Joint Panel for the environmental review process to conduct public hearings on this project. This is a critical step forward and we look forward to the comments of those who will be participating in this process as well as the opportunity for Nalcor to provide further information on the Lower Churchill Project.

### **Secondary Messages**

Additional messages will continue to be developed on public issues surrounding the development of Muskrat Falls. These will include messages on rising electricity rates, Labrador coastal access, financing, Aboriginal concerns, excess power, the environmental assessment process and the next steps for the project

## Communication Activities

### Media Campaign

The proposed public awareness campaign will promote the development of Muskrat Falls and Lower Churchill development. M5 has been contracted at agency to support this effort, and will be presenting creative concepts to the department on March 17. Nalcor will also be engaged in this discussion.

### Launch

It is recommended that a media event (launch) be held involving the Minister of Natural Resources, identifying the campaign and highlighting some of the materials which will be used in support of the campaign.

### Ministerial Statement

Minister of Natural Resources will read ministerial statement in the House of Assembly identifying launch of campaign.

### Speaking Engagements

Speaking opportunities will be sought for the Premier, Minister of Natural Resources and Ed Martin with organizations throughout the province. Examples include:

- Boards of Trade;
- Newfoundland and Labrador Oil and Gas Industries' Association;
- Service organizations;
- Chambers of Commerce and Economic Development Agencies;
- Professional associations;
- Municipalities Newfoundland and Labrador;
- The Innu Nation and Nunatsiavut Government, and
- Youth organizations, Student unions and post-secondary institutions.
- Special consideration to Labrador under consideration.

Confirmed speaking engagements include:

- March 23 – Minister Skinner – Mount Pearl Chamber of Commerce
- March 31 – Minister Skinner – NEIA AGM
- April TBD – Nalcor – NEIA membership
- May 2 – Nalcor – Legislative Conference : Energy for Canada Ottawa, Ontario
- May 17 – Nalcor – Rotary Club St. John's
- June 2 – Nalcor – East Coast Connect: Atlantic Business Summit Toronto, Ontario
- June 5 – Nalcor – Canadian Nuclear Society
- October 15-20 – Nalcor Canadian Dam Conference

### Media Briefings

Technical briefings have begun with media outlets offering availability to both Minister of Natural Resources and Ed Martin in an open forum discussion to provide opportunity to media discuss any questions they may have. It is expected to have these completed by late March. Media outlets to include CBC, NTV, Canadian Press, VOXM, The Telegram, Out of the Fog, Labradorian, and the Independent.ca.

### Open Line Availability

Minister of Natural Resources to go in studio to discuss Muskrat Falls and respond to public commentary.

### Opposition Briefing

The official opposition has requested a technical briefing which we anticipate scheduling for March 24. Officials from Nalcor and the Department of Natural Resources will participate in the briefing

### Stakeholder Meetings

Associated with speaking opportunities, the Minister of Natural Resources and/or the CEO of Nalcor will also meet with the executive or key members of organizations to help them ascertain a better understanding of the project and answer questions or concerns which they may have.

### News Releases and Letters to the Editor

News releases and letters to the editor to support the actions taken by the Provincial Government in support of this development and to address criticism will also be considered when appropriate. These will be undertaken not only by the Provincial Government, but by Nalcor Energy. To date – responses have been submitted to the Western Star, Labradorian, The Muse, Telegram.

### Public Polling

It is recommended that a research poll be conducted by an outside agency to assess the opinion of residents of Newfoundland and Labrador on the Muskrat Falls project. The results of such a poll would be helpful in guiding the next steps of the Provincial Government in promoting this project.

### **Minister's Involvement**

The Minister of Natural Resources will lead. Additionally, Ed Martin may be called upon to speak from the non-political perspective of Nalcor.

### **Interdepartmental Coordination**

The Department of Labrador and Aboriginal Affairs will be consulted and advised about ongoing activities associated with Muskrat Falls.

### **Briefing of Members of the House of Assembly**

Members of the House of Assembly will be provided with messages and briefings as requested.

### **Internal Communications**

Internal communications will be coordinated by the Department of Natural Resources.

### **Follow-up Activities**

Media monitoring will take place and throughout the campaign. The Department of Natural Resources will evaluate the effectiveness of the campaign.

Communications activities will continue to evolve with strategy updated regularly.

**Evaluation Criteria**

This campaign will be deemed successful if residents of Newfoundland and Labrador gain a better understanding of the plan to develop the Muskrat Falls Hydroelectric Project.

**Budget**

To be determined – anticipated to be in the range of \$200,000 – \$300,000 for the media campaign).

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**Approved by:**

Richard Wardle, Deputy Minister (A), Natural Resources

## Appendix A

### Released Schedule of Environmental Review Panel and Submission Deadline

March 3 General Session Hotel North Two 382 Hamilton River Rd. Happy Valley-Goose Bay 7pm-10pm February 21

March 4 General Session Same as above 1pm-5pm 7pm-10pm February 21

March 5 General Session Same as above 9am-12pm 1pm-5pm February 21

March 7 Topic-Specific Session Need, purpose and alternatives Same as above 9am-12pm 1pm-5pm February 25

March 8 Topic-Specific Session Need, purpose and alternatives Same as above 9am-12pm 1pm-5pm February 25

March 9 Topic-Specific Session Economic Impacts Same as above 9am-12pm 1pm-5pm February 25

March 10 Topic-Specific Session Reservoir preparation Same as above 9am-12pm 1pm-5pm 7pm-10pm February 25

March 11 Topic-Specific Session Reservoir preparation Same as above 9am-12pm February 25

March 15 Topic-Specific Session Aquatic Environment Same as above 9am-12pm 1pm-5pm February 25

March 16 Topic-Specific Session Aquatic Environment Same as above 9am-12pm 1pm-5pm February 25

March 17 Topic-Specific Session Terrestrial Environment Same as above 9am-12pm 1pm-5pm February 25

March 18 Topic-Specific Session Terrestrial Environment Same as above 9am-12pm 1pm-5pm February 25

March 19 Community Session Community Hall Mud Lake 10am-4pm No deadline

- March 21 Community Session Labrador Interpretation Centre Northwest River 7pm-10pm No deadline
- March 22 Community Session Location to be confirmed Sheshatshiu 1pm-5pm 7pm-10pm No deadline
- March 23 Community Session Same as above 1pm-5pm 7pm-10pm No deadline
- March 24 Community Session Jens Haven Memorial School Nain (by videoconference) 7pm-10pm No deadline
- March 29 Topic-Specific Session Social and Cultural Impacts Hotel North Two 382 Hamilton River Rd Happy Valley-Goose Bay 9am-12pm 1pm-5pm March 19
- March 30 Topic-Specific Session Environmental Management, Monitoring and Follow-up Same as above 9am-12pm 1pm-5pm March 19
- March 30 Community Session Northern Lights Academy Rigolet (by videoconference) 7pm-10pm No date
- March 31 Topic-Specific Session Cross-cutting Issues Hotel North Two 382 Hamilton River Rd. Happy Valley-Goose Bay 9am-12pm 1pm-5pm March 19
- March 31 Community Session Henry Gordon Academy Cartwright (by videoconference) 7pm-10pm No deadline
- April 1 General Session Hotel North Two 382 Hamilton River Rd. Happy Valley-Goose Bay 9am-12pm 1pm-5pm March 22
- April 2 General Session Same as above 9am-12pm 1pm-4pm March 22
- April 4 General Session Location to be confirmed St. John's 7pm-10pm March 22
- April 5 General Session Same as above 1pm-5pm 7pm-10pm March 22
- April 6 Community Session Carrefour La Baie 391 Brochu St. Sept-Iles (Quebec Aboriginal communities) 7pm-10pm No deadline
- April 7 Community Session Same as above 9am-12pm 1pm-5pm 7pm-10pm No deadline
- April 8 Community Session Same as above 9am-12pm 1pm-5pm 7pm-10pm No deadline
- April 14 Closing Remarks Hotel North Two 382 Hamilton River Rd. Happy Valley-Goose Bay 9am-12pm 1pm-5pm April 15
- April 15 Closing Remarks Same as above 9am-12pm 1pm-5pm April 15