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Article rank 21 Sep 2013 | The Telegram (St. John's) BY ROGER GRIMES Roger Grimes is a former Liberal premier of Newfoundland and Labrador. He writes from St. John's.

Time to pause and reassess Muskrat Falls

Would he please provide us with an update on expenditures to date and contracts let to date?

I attended a Liberal leadership debate hosted at Memorial University on Monday evening and listened attentively to the positions put forth by each of the five candidates on a range of issues.

I paid particular attention to statements regarding the Muskrat Falls development and was somewhat taken aback by the views put forward by MHA Jim Bennett.

Bennett stated that we have no choice but to proceed because we have already entered into binding contracts that total several billion dollars and, since we must honour those contracts, we can't even consider stopping the project. Does he know something that no one else in the province knows or has been told about?

To my knowledge, neither Nalcor nor the Dunderdale government have yet gone to the financial community to seek a loan to finance the bulk of the project. To my knowledge as well, the money spent to date is money that the government has provided to Nalcor in the last several provincial budgets. So far, Nalcor is spending our taxpayers dollars with the full blessing of Premier Kathy Dunderdale and Finance Minister Jerome Kennedy.

As for future components of the project, wouldn't it be totally irresponsible for anyone in any business to award and commit to binding contracts for which they have no guarantee or assurance that they have secured the money to pay for them?

If Dunderdale and Kennedy have actually allowed our company Nalcor to enter into additional longterm commitments that they don't have any money to pay for, isn't it time to tell us?

New developments

There are several new uncertainties that have arisen since the project was first announced, including a court challenge over water rights, serious doubt as to whether or not a Maritime Link will be part of the project, real doubt as to whether there will actually be a federal loan guarantee to help keep costs down and growing uncertainty as to whether or not oil prices will steadily and constantly rise as originally speculated and predicted.

A wise and prudent government would most certainly complete this season's contracted and committed work on site preparation and then order and direct Nalcor to cease any further expenditures until a reassessment is done to determine if the current situation and current updated future predictions still suggest the project is economically viable.

From the work done this year, they already have enough experience to assess the extent to which cost over-runs are occurring which would be helpful in any such reassessment.

I truly believe the finance minister understands the merits of such a prudent approach. Would he please provide us with an update on expenditures to date and contracts let to date?

Then we will all know whether or not Jim Bennett is right in saying we're already "In too deep" or whether we can still consider cutting our losses before we start borrowing from the financial houses and plunging the province and our people into further debt.

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