

**From:** [David Steele](#)  
**To:** [Paul Hickey](#)  
**Subject:** meeting with Premier  
**Date:** Thursday, April 7, 2016 4:37:00 PM  
**Importance:** High

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Paul, could you please review and adjust as necessary and send along to the team. There was more discussed, but I am trying to focus the team on those matters that are most timely. I have an appointment that I need to go to.

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Hello all,

The meeting with the Premier went well.

Tim has asked to meet with us tomorrow morning to run through changes he would like to our report. Namely, they would like us to adjust (remove) reference to the P80 and also remove reference to the QRA that is underway. The rationale for the removal of these references is that they do not want our report to create a public expectation that Government will receive copies of the QRA which will then be subject to ATTIPA (access to information request) and he also indicated that this **could impact the Federal Loan Guarantee (NTD: Paul can you expand)**. The overall reference for the need for a more conservative confidence level to be used by Nalcor will remain.

Tim is also following up with Nalcor on their response to our report.

**The Premier did discuss his current thinking regarding communications strategy and next steps that would accompany the release of our report on Tuesday of next week. It is as follows:**

- He would like to commit to the public that 7/8 of the main contractor would be assessed and re-baselined by Nalcor by May/June 2016, and that the 1/8 (Astaldi) is under review and negotiations and the timeline to reach resolution is to be determined. He will publicly acknowledge that there are also potential knock on impacts of the 1/8 (Astaldi) that could impact the 7/8 (e.g. Andritz).
- At first he indicated to us that he would almost take Westney's results as final for public release. We cautioned (based on influence by Nalcor and general history) that EY should review this. I believe he came to agreement. And he also indicated that there is still an expectation for a final report from EY at the conclusion of the Astaldi negotiations and inclusion in the cost and schedule forecast.
- He is still very concerned and uncertain why a final report would cost 550-600K. We indicated that there is a substantial amount of work that needs to go into reviewing the QRA and rebaselining activities of Nalcor.
  - **The Premier's ask – Tim, could you action:**
    - Could EY provide a more detailed list of activities that we need to perform (rough/lump sum hours associated to each). He said he would really like to get an understanding of what additional work needs to be performed.
    - He would also like to have this split up into two phases of work: 1) a review of the 7/8 contracts for which a re-baseline/ QRA will be released in May, and

2) a review of the Astaldi outcome and its inclusion in the cost and schedule forecast (later this year – TBD).

**The Premier did speak to the ongoing negotiations with Astaldi:**

He still feels that he would like someone in the room. He indicated that all that was needed was a person should be in the room. We cautioned that in order to provide real value... that the person in the room needs to have involvement in the preparation and communication and execution of the strategy. He acknowledged our comments. He indicated that he would trust David Leather to perform such a role, however also talked about the need to have a Lawyer in the room. We didn't get a sense if it was one or the other or both. This is something we need to seek clarity on once the reports are released next week, as it is clear that the Premier is currently thinking one step at a time.

We would appreciate your comments on the above matters and also the specific actions he has requested.

Thanks,

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