



Nalcor chair says board lost confidence of government



Garrett Barry · CBC News ·

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Nalcor Energy's board chair, Ken Marshall, says the entire board resigned on Wednesday as it became clear they lost the confidence of government. (CBC)



The departing chair of Nalcor Energy says his board resigned en masse after it became clear they no longer held the confidence of Newfoundland and Labrador's new Liberal government.

Ken Marshall and three other Nalcor board members tendered resignations Wednesday, just hours after the group's CEO, Ed Martin, announced that he was leaving as well.

The resignations come after an EY [formerly Ernst&Young] review found the Muskrat Falls project to be even further behind schedule, and after Nalcor was called out in last week's provincial budget.

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- [Entire Nalcor board resigns in wake of Ed Martin departure](#)

"Quite frankly, from the board's perspective, we took concern over the singling out at the budget process and at the E&Y report," Marshall told the *St. John's Morning Show* on Thursday.

"We felt that that wasn't necessarily the right approach," he said.

Marshall said the government's tough talk in last Thursday's budget — and Martin's subsequent resignation — made it clear the provincial government no longer believed in the abilities of the Nalcor board.

"Everybody individually felt that it was time for us to move forward and allow the organization to establish a new board." Marshall said.

Budget call-out

In her budget speech, Finance Minister Cathy Bennett said the province did not see appropriate returns for the investment it is pouring into Nalcor.

"The previous administration allowed Nalcor's organizational structure, compensation and benefits packages to grow beyond what taxpayers would

consider reasonable," Bennett said, adding that the corporation would be directed to make cutbacks.

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Those comments took his board members by surprise, according to Marshall, especially considering Bennett served as chair of Nalcor Energy in 2012.

"They were very surprising to the board," Marshall said, "given her knowledge of the board and her knowledge of the what the board was faced with."

Marshall said Bennett "was well aware of the projects that we were entering and the span of anticipated expenditures."



Finance Minister Cathy Bennett delivers the budget speech in the Newfoundland and Labrador House of Assembly on April 14, 2016. (CBC)

Muskrat Falls is at least \$2.5 billion more expensive than was originally budgeted, and significantly behind schedule.

Despite his resignation, Marshall defended the project as the right way forward.

"Everybody's concerned. Everybody, to a person, on the board. and every Newfoundlander has a right to be concerned," he said. 'But again, these projects, we go through a lot of analysis and try to make sure that we clip the uncertainties and the risks to a certain point.'

Bennett said most major construction projects face big challenges.

With files from the St. John's Morning Show

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