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From : "Howard, Jacquelyn"

To : "Joyce, Luke" , "Maclean, Heather" , "Hammond, Lynn" , "Marnell, Debbie" , "Brown, Milly"

Cc : "Power, Glenda" , "Collingwood, Jennifer"

Subject : Fw: Cost of Muskrat Falls forces Government to seek funding

Attachment : Cost of Muskrat Falls forces Government to seek funding_Dec 13 2012.doc;

Communications
Executive Council
Government of Newfoundland and Labrador
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From: oppositionnewsreleas

Sent: Thursday, December 13, 2012 05:18 PM

To: Foote, Carla

Subject: Cost of Muskrat Falls forces Government to seek funding

December 13, 2012
For Immediate Release

Cost of Muskrat Falls forces Government to seek funding

Liberal Opposition Leader Dwight Ball challenged Government on the impact of today's announced \$725.8 million deficit on the Muskrat Falls project.

Before Government can maximize the federal loan guarantee, they must put up billions of dollars in equity for Muskrat Falls. Today in the House of Assembly the question was posed to the Premier "This money has to come from somewhere, but with this deficit, Government's cash reserves are drying up. Are you now going to borrow money for your equity investment not covered by the Federal Loan Guarantee?"

"The money for Government's two billion dollars in equity has to be sourced somehow; they cannot make money appear out of thin air," said Ball. "It's inaccurate for the Premier to say Muskrat Falls will not add one cent to the provincial debt – that's just simple math. If it's taken out of the cash reserves, then Government must borrow for any other infrastructure spending, like the Corner Brook Hospital."

Government continues to dig this province further and further into debt. They have increased the net-debt to \$8.9 billion, but are still planning to borrow more money. The Finance Minister told the media today they may have to borrow the total cost of Muskrat Falls.

"It's easy to govern when the purse is full, now the tables have turned," said Ball. "Now that we're a 'have province', how come Government can't manage our finances so we don't have to run a deficit?"

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Media Contact: Carla Foote | Director of Communications | Office of the Official Opposition | 729-6151 | 691-6673 E copies
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Office of the Official Opposition
NEWS RELEASE

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