



Nfld. & Labrador

How Paul Harrington fought to protect the Muskrat team in the Stan Marshall era



2016 letter reminds incoming CEO that aggressive cost and schedule targets were approved by Ed Martin

[Terry Roberts](#) · CBC News · Posted: Jun 06, 2019 4:00 PM NT | Last Updated: June 6



Muskrat Falls project director Paul Harrington is seen Thursday at the public inquiry investigating the project. (Terry Roberts/CBC)

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A letter from the leader of the Muskrat Falls team to Nalcor's incoming CEO three years ago appears to partially blame Ed Martin's aggressive approach for massive overruns, but Paul

Harrington says his letter was meant to protect his team, which he feared was about to be shown the door.

The June 6, 2016, letter to Stan Marshall generated some tense moments at the Muskrat Falls inquiry this week as the investigation into why the controversial project is billions over budget and years behind schedule continues.



Nalcor Energy CEO Stan Marshall took on the top role at the Crown corporation in the spring of 2016, as the Muskrat Falls project was struggling with ballooning costs and schedule delays. (Eddy Kennedy/CBC)

One of the lines in the letter being seized upon by project critics is, "The direction that was provided to the project team was to set a very aggressive schedule.... The unlikely probability of achieving these cost and schedule targets was well known."

That feeds into a narrative that Nalcor knew its construction and budget targets on the publicly funded project were unrealistic but pushed ahead, while being stingy about the disclosure of information to their political bosses in the provincial government.

Shrouded in controversy

Harrington wrote the lengthy letter to Marshall during a critical moment for the project. Public outrage was growing over the ballooning project budget and schedule delays, a new Liberal government was settling in at Confederation Building after sweeping the PCs from power, and the man considered to be the Muskrat architect, Ed Martin, had left government-owned Nalcor under a cloud of controversy.



Former Nalcor CEO Ed Martin is seen on the witness stand at the Muskrat Falls inquiry on Dec. 11. He is scheduled back at the inquiry June 12-13. (Terry Roberts/CBC)

Both the Liberals and Marshall were expressing serious concerns about the project, which was having a big impact on the team overseeing its construction.

Behind the scenes, Marshall was weighing all his options, including a wholesale replacement of the team, including Harrington.

Harrington said public criticism was taking a toll, and some members of his team were threatening to leave. It was that mood that prompted him to write the letter, he said.

"When people come to say to me that they're going to move house because they can't take the criticism coming from their neighbour anymore, or that when somebody says they're going to leave the project because their child is getting criticism for that their parents are doing at school, that's what I'm meaning here," Harrington said.

It was under this cloud of uncertainty that Harrington, with input from a "significant" number of others on his team, he said, wrote to Marshall.

And it's clear from the tone that his letter was intended to shift blame for the troubles away from Harrington and his subordinates.

"The project team's role at sanction was to produce a range of cost and schedule estimates based on the risks. It was decided to impose a very aggressive approach to cost and schedule," Harrington wrote to Marshall. "While it is not my place or intention to comment on the rationale for those decisions, the project management team is now taking criticism for those earlier decisions and that seems to me to be somewhat unfair."

He added that the team's job was to "follow the directions provided at sanction."





Geoff Budden is the lawyer representing the Muskrat Falls concerned citizens coalition. (Terry Roberts/CBC)

Harrington did not use Ed Martin's name in the letter to Marshall, but under questioning Thursday from Geoff Budden, lawyer for the Muskrat Falls concerned citizens coalition, he made it clear that his team was taking direction from executives like Martin and vice-president Gilbert Bennett.

"Who was it that decided to impose a very aggressive approach to cost and schedule?" asked Budden.

"It came from our CEO," Harrington replied.

"Mr. Ed Martin?" Budden asked.

"That's correct, yes," Harrington answered.

That sounded like an indictment of his former boss, and Budden said, "I'd suggest what you clearly meant was ... 'Mr. Martin imposed something on us we knew was unworkable, and here we are, taking heat. You're the new CEO, you should know this.'"

But Harrington refused to acknowledge that, repeatedly saying he was simply protecting his team, and that he was being "honest and genuine," to which Budden replied, "I would suggest you're not."

"That's fine. You're entitled to your opinion," Harrington said.

Marshall sticks with the team

Marshall quickly put his stamp on things by separating the project into two elements: generation and transmission.

But he largely stood by the project team, and with a few exceptions, it remains intact.

"He stuck with us, and has been a great supporter of the team," Harrington told the inquiry.

Martin, meanwhile, is scheduled to testify June 12-13.

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