

Oversight committee members asked about its value at Muskrat Falls Inquiry

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Government of Newfoundland and Labrador employee Craig Martin took to the witness seat on Monday morning to begin this week's testimony before Commissioner Richard LeBlanc at the Commission of Inquiry Respecting the Muskrat Falls Project in the Beothuck Building in St. John's. - Joe Gibbons

Finance official says it had some value for the public

ST. JOHN'S, N.L. — Members of the government's Muskrat Falls Oversight Committee say it has been of some value to the government and to the people of Newfoundland and Labrador.

In March 2014, months after financial agreements were settled for the megaproject, the Progressive Conservative government announced a collection of civil servants would help with project oversight.

The committee had one full-time executive director, while other members took part atop their other government duties, reviewing reports from Nalcor Energy and from the federal government's independent engineer. They asked questions. They reported up to the cabinet.

They were criticized early on for being overly reliant on information from Nalcor Energy.

"I mean the oversight committee essentially provided an alternate set of eyes into what was happening there, beyond what was flowing from Nalcor directly," said assistant deputy minister of Finance Craig Martin, at the Muskrat Falls Inquiry on Monday. He was working with Natural Resources, dealing with oil royalties, when appointed executive director of the oversight committee.

"One of the challenges was the information (on Muskrat Falls construction) that was available was incomplete. Very much so," he said, although he acknowledged it was difficult to sort out oversight, when the project was already underway.

"I mean, the oversight committee at the end of the day did, I believe, provide benefit to cabinet at the end of the day. I believe it did provide some limited benefit to the people of the province as well. It did give more oversight, insight, into what was happening with the project than existed prior," he said, while being questioned by lawyer Geoff **Budden**, with the Concerned Citizens Coalition.

"...the oversight committee at the end of the day did, I believe, provide benefit to cabinet..." — Craig Martin

Budden repeated back the comment. "Some limited benefit," he said.

"Absolutely. Some limited benefit from that perspective," Martin replied, saying he believed the oversight committee's activities before the 2015 election led into the subsequent decision to pay EY for a more complete look at project cost and schedule.

"The challenge is that's three years after we're into the project at that point in time," Martin said.

He said, as he understood it, the committee was directed at the start to not go back and do an independent review of the estimates. The committee's focus was to work from the set baseline and track changes, he said.

As for public reports, there was a period without regular reporting. The Telegram noted public reports had come in July 2014, September 2014, December 2014, March 2015, August 2015 and December 2015, but the committee then went quiet. Internally, EY was tasked, the project cost was "re-baselined." Efforts to produce monthly releases of information began with a report covering August 2016.

The committee improved its public reporting over time, and is now a long way from where it was in its first few years, according to current executive director and chair Paul Carter, who was on the Inquiry's witness stand on Monday afternoon.

For one thing, Carter said, the committee is getting more information now from Nalcor Energy on risks to the project and potential cost increases.

"Today, I think that the committee is functioning very well," he testified.

According to information in evidence, for five fiscal years from 2014 through 2019, the oversight committee has cost \$2.79 million, including salaries, professional services and operating costs.

Committee changes

Commissioner Richard LeBlanc took a minute on Monday to ask Muskrat Falls Oversight Committee chair Paul Carter about the committee as it stands.

Carter noted the committee is currently down two of four of its independent members – being those members sourced from outside of government.

A former assistant deputy minister who had moved on to work with Chevron Canada by the time of her appointment, Vanessa Newhook recently resigned from the committee, he said. Memorial University professor Jim Feehan left in 2018.

Professional engineer Jason Muise and businessman Paul Snelgrove are the remaining independent members.

The committee's independents were first added in mid-2017. At that time, the four were Newhook, Feehan, Muise and Labrador North Chamber of Commerce president Sterling Peyton. Peyton left in mid-2017, with Snelgrove brought on.

Carter said Natural Resources Minister Siobhan Coady has been made aware of the independent vacancies, saying the remaining two of four continue oversight work alongside regular representatives from a handful of government departments.

Oversight committee reports and meeting minutes, noting attendees, are available online.

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