

Williams hammered over Abitibi cleanup costs

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Premier Danny Williams said he can live with remediation costs at AbitibiBowater sites because the government now owns the company's assets. (CBC)

Newfoundland and Labrador's Liberal Opposition attacked the credibility of Premier Danny Williams and his cabinet Thursday following revelations that taxpayers are on the hook for the cost of cleaning up former mine and mill operations of insolvent AbitibiBowater.

Williams, who told reporters Wednesday that the government will have to absorb astounding remediation costs in the wake of a lost court challenge over the cleanup, batted away the criticism, saying the government at least owns important Abitibi assets.

"The government knows that this deal that they have bungled so badly on Abitibi makes the Sprung greenhouse look like a success story," said Liberal Leader Yvonne Jones, referring to the infamous hydroponic facility that former premier Brian Peckford backed in 1987.

The greenhouse, which largely cultivated cucumbers, is credited with costing the Progressive Conservatives the 1989 provincial election — and at least \$23 million in taxpayers' dollars.

"It has taken us weeks in this house of assembly to finally get the government to admit that they made a mistake and they blundered," Jones said. "It has taken us weeks to get them to admit that there [are] going to be liabilities on behalf of the people of the province."

Until this week, government ministers had insisted that AbitibiBowater would have to pay for cleaning up not only a century-old mill in Grand Falls-Windsor that closed last year — and which the government accidentally expropriated while seizing timber and hydroelectric assets — but other sites it managed over the years.

The tone shifted after Tuesday's ruling by the Quebec Court of Appeal, which refused to hear Newfoundland and Labrador's argument that it should be considered a secured creditor as struggling Montreal-based AbitibiBowater restructures itself through bankruptcy protection.

Newfoundland and Labrador hoped that secured creditor status would help ensure Abitibi paid for remediation.



Liberal Leader Yvonne Jones raised the spectre of the Sprung greenhouse, one of Newfoundland and Labrador's historic political fiascos, when criticizing the government over the Abitibi issue at the legislature on Thursday. (CBC)

No one knows yet how much the cleanup will cost, but Williams lashed out at Jones for throwing around what he said were exorbitant figures.

Jones has pointed to the \$500 million that AbitibiBowater is seeking in damages in a NAFTA challenge it launched against Newfoundland and Labrador's asset expropriation in late 2008 as indication that the remediation costs for the province will be in the hundreds of millions of dollars.

"When we talk about the environmental liabilities ... what she is trying to do is stack everything up to figures that have been \$500 million, \$750 million, \$1 billion — completely and totally erroneous," Williams told the legislature.

Williams didn't attach a dollar figure to the cleanup but estimated that 75 to 80 per cent of the expense will be at an old mine operation that Abitibi inherited in Buchans, a port it ran in Botwood and a since-demolished newsprint mill in Stephenville.

The rest of the cleanup will involve the Grand Falls-Windsor mill, which the government admitted earlier this year it had expropriated in error in its rush to seize more valuable assets in late 2008.

Sitting on assets

Williams told the legislature that while the government is on the hook for cleanup costs, it has still come out ahead.

"We are protected because we all have the assets," he said.

Jones fired barbs at Natural Resource Minister Kathy Dunderdale and Environment Minister Charlene Johnson, who have both insisted that "polluter pays" is the government's policy on the Abitibi cleanup.

Neither departed from that position on Thursday.

"There is no deception here," Johnson told the house. "Under the Environmental Protection Act, it is very clear that the person who releases the substance into the environment should be the person to clean that up."

Williams gave a more pragmatic response — although he has said his government is planning a Supreme Court of Canada challenge on the Abitibi issue.

"We are going to have the environmental liability," Williams said, "because at the end of it ... if the person who is responsible for the pollution is not able to pay, we will have to pay."