

Ever since October, people have asked a lot of questions about the proposed energy agreement with Hydro-Québec. But the most consistent question, with the most misunderstood answer, has been 'why are you doing this?'

I have had the privilege of being leader of a political party in New Brunswick for seven-and-a-half years. In that time I have met thousands and thousands of New Brunswickers from every corner of this province.

One of the most common concerns I have heard in my travels has been about people and businesses struggling with energy costs which they already feel are too high.

I have met millworkers who after decades of good work, find themselves unemployed. These are proud men and women who now struggle to feed their families. They have demanded action from governments to create new jobs and to protect the jobs of others. The reality is that when most forestry mills close in New Brunswick, it isn't because they are leaving the forestry business, it is because they are leaving New Brunswick. It isn't that the forestry sector is failing, it is that it costs them too much money to do business in New Brunswick.

I have met single moms, working families and seniors on fixed income. They all raise the same issue. How can they be forced to choose between buying food and medicine and keeping their heat on? Every year the cost of power keeps going up, and it is harder and harder for them to keep up with it.

I have met experts who told me about the need to refurbish and replace our aging electricity infrastructure and who also warned me about the size of our electricity-related debt as we enter an era of rising interest rates.

The proposed agreement we reached with Hydro-Québec dealt with those issues. It would reduce the debt load New Brunswickers are carrying, give our province an economic edge and give consumers a break on over increasing prices along the way.

We proposed a solution for the millworker who fears losing his job in St-Quentin. We did it because of the senior on fixed income in Bathurst. We did it because of the single mom in Moncton. And we did it because of the working mom and dad in Saint John who struggle to keep food on the table for their family. We did it as part of our plan to grow our economy and create the opportunities we need to keep our kids at home.

That is why it is with so much regret that I am announcing this morning that we are no longer proceeding with discussions to finalize the energy agreement with Hydro-Québec.

I continue to believe that the agreement proposed in October and the amendments inspired by New Brunswickers that we brought forward in January were in the best interests of our province.

However, over the past several weeks as we worked to take that agreement and turn it into a full legal document, Hydro-Québec has asked for changes to the agreement that would have unacceptably taken away some of the value and increased some of the risks for New Brunswickers.

I believe the original agreement provided good value to New Brunswick in both direct benefits and reduced risks. I believe the amended agreement from January also provided good value for New Brunswick in terms of benefits and reduced risks. However, with Hydro-Québec's proposed changes, I do not believe New Brunswick receives enough in direct benefits and reduced risks to provide a deal worth signing.

I am disappointed to have reached this ending after so much time. I appreciate the effort made by New Brunswick's negotiating team and I know that if there had been a way to reconcile the differences now at the table, they would have found it. They can take pride in knowing that while others looked at the problem and turned away because it was too hard, we have at least tried.

I also want to recognize all of those hard-working New Brunswickers at NB Power. I know that this has been a very difficult time for you and I want you to know that this was never about your quality of work and dedication – which is second to none. We always have and always will have a great deal of respect and thanks for your contribution to our province. This was never about you, it was about challenges outside of your control and ours.

There has been a lot of talk and speculation about the political costs of attempting this deal and I am sure there will be more talk about the political costs of not doing it. My view on this is simple. I believe that good government and good policy makes for good politics. More than anything else, New Brunswickers need a government that will take on our tough challenges and help New Brunswick move ahead. The right deal with Quebec would have done that. It would have reduced our debt by over \$3 billion dollars, provided stable prices to consumers and given us an edge in growing and attracting major industry. I would have been proud to take the deal to voters in the next election.

There are no guarantees in life. You can't win every time you take the field. But you can never succeed from the sidelines. I will not retreat to the sidelines just because this didn't work out.

The potential for a powerful partnership was there. We pushed hard for the most value we could get in the MOU and in the January amendments. Late yesterday, I met with Jean Charest and his officials to discuss this situation. I was joined by Minister Keir and NB Power CEO Gaetan Thomas.

The reality is that when Hydro-Quebec did its due diligence, they found that there were more risks than they were willing to take on. This change in their position meant that the

terms of our agreement in principle could not be met. Our government could not accept that.

There are lessons to learn from this experience. I think it is pretty clear to everyone that even if you are doing the right thing, or the necessary thing, that there is a right way and a wrong way of going about it. People were not upset with us for taking on the electricity issue, they were angry with us because they wanted to be part of the solution and our process didn't let them in.

I can assure you that after the past few months, that is one lesson I will never forget. So as we work on this file going forward, it will be with the help of New Brunswickers who are eager to have a say.

As a government we will take a moment to step back and consider where we stand now that the discussions with Quebec are over. But then we will head right back out to take on these challenges, this time not as a government on its own but through a dialogue with the province as a whole.

I want to assure the people of New Brunswick that despite this setback, so long as I am premier, we will continue to take on the tough issues. If we want a province that is self-sufficient, if we want to keep our kids at home, we can't hide from our problems or look for the easy way out.

I'll close by reminding you of a quote of wise man. Alexander Graham Bell changed the world by inventing the telephone and is claimed by Scots, Americans and Canadians as one of their own. He said that "when one door closes, another door opens; but we often look so long and so regretfully at the closed door, that we do not see the ones that open for us."

We may have closed the door on an energy agreement with Hydro-Québec. But I know that new doors of opportunity have opened before us. We will not look back, we will keep moving forward because that is what we were elected to do and that is what we must do to grow our province.

Helping us move through those new doors of opportunity are New Brunswickers who are engaged and informed about the problems we face in electricity and who are seeking the opportunity to help solve them. I'll be seizing that opportunity and looking for those ideas and your advice in the weeks ahead.

Thank you.