

Summary of the Muskrat Falls Inquiry Terms of Reference

The Muskrat Falls Inquiry was created by the provincial government to answer a specific list of questions listed in its terms of reference. Commissioner Richard LeBlanc has explained the terms of reference in two detailed decisions. This is a summary of those decisions.

The Muskrat Falls Inquiry **can** consider the following questions:

- Was the economic or business case for the Muskrat Falls Project reasonable? Were Nalcor's assumptions and forecasts reasonable? Were alternatives fully considered?
- Why are the costs of the Muskrat Falls Project so much higher than originally expected? Did Nalcor follow best practices in managing the project and dealing with contractors? How did Nalcor assess risks and communicate the results of risk assessments?
- Why was the Muskrat Falls Project allowed to proceed without approval or oversight from the Public Utilities Board? What effects did that have?
- Was the provincial government fully informed of the risks of the Muskrat Falls Project before the project was approved and during construction? Did the provincial government do a reasonable job overseeing the Muskrat Falls Project?
- How should governments manage large publicly funded projects in the future?

The Muskrat Falls Inquiry **cannot** consider the following questions:

- Did the Federal Government behave reasonably in, for example, guaranteeing the Muskrat Falls Project's loans?
- Is anyone involved in the Muskrat Falls Project guilty of a crime or civilly liable?
- Should the Province's political system change?
- Should the Muskrat Falls Project continue?
- How will the courts decide lawsuits about the Province's water management legislation?
- How should protesters at the Muskrat Falls site be treated by the police, the Crown, or the courts?

The Muskrat Falls Inquiry **can** consider the following questions **within limits**:

- The Inquiry **can** consider whether Indigenous governments were adequately consulted, but it **cannot** consider land claims or what rights Indigenous peoples should have.
- The Inquiry **can** consider whether Nalcor and the provincial government took reasonable steps to evaluate and minimize environmental risks, including the risk of methylmercury or of the North Spur becoming unstable. It **cannot** consider what the ultimate environmental effects will be or what should be done about them.