

Daily Media Note - May 12, 2017

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Date: Fri, 12 May 2017 17:21:22 -0400
Attachments: Daily Media Note - May 12, 2017.docx (70.65 kB)

Good Afternoon Premier,

We have four items to update you on today:

- Metrolinx/Alstom deal
- Hydro
- Ring of Fire
- French and Chinese Media Update

Metrolinx/Alstom deal

Toronto Star's transportation reporter Ben Spurr broke the news last night by moving a story on the Star's website announcing Metrolinx reached a deal to purchase 61 light rail vehicles from French manufacturer Alstom. The story provided details that the 61 Alstom vehicles could be used to operate the Finch West LRT and Hurontario LRT that Metrolinx is building in Toronto and Mississauga, respectively, but if Bombardier fails to deliver enough cars to open the Crosstown on time, some of the Alstom vehicles would be shifted to the Eglinton line. Metrolinx would then buy additional cars from Alstom to cover the other lines.



Ben Spurr ✓
@BenSpurr

Following

Breaking: Metrolinx is buying 61 LRVs from Alstom to backstop its troubled order from Bombardier. Story coming soon.

RETWEETS

9

LIKES

4



8:52 PM - 11 May 2017

Media turnout was big this morning at Minister Del Duca's announcement and CP24 carried it live and has since opened their news segments on that story, followed with the reaction of Prime Minister Justin Trudeau who said from Toronto: *"In general we tend to respect the opportunity and the responsibility of municipalities or provinces to make decisions around procurement that is going to be based on both what they offer their citizens in terms of services and the price they're asking their taxpayers to pay"*

Allison moved a story on the CP wire after the official announcement and Del Duca's media availability reporting on the announcement and providing a bit of a context about the ongoing dispute between Metrolinx and Bombardier. Allison's story also reports on the reactions from the opposition parties which said that the government back-up plan is coming a bit late.

We have included Allison's story below for your reference:

Ontario signs deal to buy light rail vehicles from Alstom in shot against Bombardier

The Ontario government has turned to a French manufacturer for light-rail vehicles as a backup plan if Bombardier fails to deliver for transit projects in Toronto _ a significant concern the provincial transit agency has been raising.

Ontario has reached a \$528-million agreement to buy 61 light-rail vehicles from Alstom in case Bombardier is found to be in default at the end of a court-ordered dispute resolution process.

The announcement ratchets up a dispute between the government and Bombardier over the company's ability to fulfil train orders in a city where gridlock has become an increasing frustration for hundreds of thousands of commuters.

Last month, a judge ruled that provincial transit agency Metrolinx can't cancel a \$770-million contract with Bombardier without first going through dispute resolution.

Transportation Minister Steven Del Duca said Friday that process could take up to a year, and if Bombardier ``continues to fall even further behind," the transit projects will be further delayed.

``Over the past many months, Metrolinx has had extremely serious concerns regarding Bombardier's ability to deliver quality vehicles according to the contract schedule," Del Duca said. ``For example, the pilot vehicle that Bombardier presented this past winter, which was late, couldn't move under its own power."

Bombardier said in a statement that it is ``ready, able and willing" to deliver the vehicles on time.

``As the minister and Metrolinx are well aware, these vehicles can be ready ahead of schedule and well before a single track has even been laid on the Eglinton Crosstown," the company said, adding it is producing identical vehicles for the Region of Waterloo that will be delivered by the end of the year.

"We've met each and every major LRV delivery milestone in the last eight months and the proof will be in the performance of these vehicles in Waterloo and on Eglinton," the company wrote. "We have addressed the issues raised in the past and we are confident this will be upheld in the dispute resolution process."

Of the 61 vehicles ordered from Alstom, 17 will be used for the Finch West LRT project. The other 44 will be used for the Eglinton Crosstown if Bombardier is unable to deliver. If the company comes through, those Alstom vehicles will be used for other projects, including the Hurontario LRT west of Toronto, Del Duca said.

This agreement gives Ontario more certainty that the Finch West and Eglinton Crosstown will open on time in 2021, he said.

"Alstom Canada is currently delivering quality vehicles on time for Ottawa's Confederation line LRT," he said. "Alstom vehicles are comparable in price. Alstom Canada is the only other supplier in North America able to meet the same high level of accessibility as Bombardier."

Alstom Canada will also open an assembly facility in the Greater Toronto and Hamilton Area to deliver on the contract, Del Duca said, touting the job creation benefits.

Bombardier did not immediately respond to a request for comment.

Prime Minister Justin Trudeau, speaking Friday north of Toronto, was asked to weigh in and said Ontario makes its own choices.

"In general we tend to respect the opportunity and the responsibility of municipalities or provinces to make decisions around procurement that is going to be based on both what they offer their citizens in terms of services and the price they're asking their taxpayers to pay," he said.

Ontario's opposition parties said it's a bit late for the government to be coming up with a back-up plan.

"This contract's been signed for over seven years and now they're finally paying attention?" said Progressive Conservative critic Michael Harris.

New Democrat Peter Tabuns cited problems the Toronto Transit Commission has also had in receiving Bombardier trains on time.

"What's maddening is they've known for years there's problems with Bombardier delivering," he said. "They could have a few years ago gone to Bombardier and said, 'look, you're not delivering on the streetcars in Toronto, we have this deal with you, what are you doing to make sure that we don't get stuck in the same position as TTC?'"

Hydro

The leaked document shared with the gallery yesterday suggesting that hydro bills in Ontario are projected to stay below last year's record high until 2021, but then climb steadily and surpass \$200 a month on average in 2028, continued to make the headlines today.

MPP Tabuns was in the Media Studio this morning calling on Ontario's budget watchdog to examine the likely impact of the plan on electricity bills and compare that to what bills would be without the Liberal plan, particularly in light of leaked cabinet documents.

Minister Thibeault's office sent the following statement to the Press gallery responding to MPP Tabuns' press conference:

"We welcome and encourage the independent Financial Accountability Officer (FAO) to review Ontario's Fair Hydro Plan. The FAO received a full technical briefing last month, and we've responded to all follow-up requests for information."

We expanded the FAO's oversight last fall, which improved his office's access to information, making it even easier to provide important analysis. These enhanced powers, combined with the technical briefing, will give the FAO access to the necessary information required.

What's disappointing is that the NDP know all of this, and decided to try to distract from the Fair Hydro Act which we tabled yesterday. The act would, if passed, provide an average rate cut of 25 per cent for Ontario households, and as many as half a million small businesses and farms starting this summer. The NDP know their plan provides no immediate relief and relies on vague, nameless future panels to conjure up policy. Today was another clear distraction from the NDP."

Alisson moved a story on the CP wire, which we have included below for your reference:

NDP calls for budget watchdog to examine Liberal cabinet hydro...

The NDP is calling on Ontario's budget watchdog to examine how the Liberal government's hydro relief plan will affect consumers' bills, particularly in light of leaked cabinet documents suggesting large increases after an initial drop.

New Democrat Peter Tabuns wrote to the financial accountability officer this week, asking him to assess the likely impact of the plan on electricity bills and compare that to what bills would be without the Liberal plan.

A Liberal cabinet document leaked to the Progressive Conservatives contains a projection that electricity bills will drop this year, rise slightly for four years while increases are held to the rate of inflation, then rise quickly after that.

It also shows that from about 2027 onward, when consumers would start paying off debt and interest associated with the hydro plan, consumers will be paying more than they would without the Liberal government's plan to cut costs in the short term.

The government dismissed the document as containing outdated projections, but wouldn't make public any of the various other projections it says went before cabinet.

Tabuns called Friday on the budget watchdog to examine all of those documents.

"I don't trust Liberal numbers," he said. "I would like to have the financial accountability officer do his assessment so we're making a somewhat more informed decision on what's before us."

It would ideally be done quickly, Tabuns said. The legislature has just eight sitting days left before it rises for the summer, which doesn't leave a lot of time for opposition review and debate, Tabuns said.

The legislation tabled this week would cut bills by an average of 17 per cent, lowering time-of-use rates for the next 10 years by removing from bills a portion of the global adjustment, a charge consumers pay for above-market rates to power producers. For the next 10 years, a new entity overseen by Ontario Power Generation will take on debt to pay that difference.

Then, the cost of paying back that debt with interest _ which the government says will be up to \$28 billion _ will go back onto ratepayers' bills for the next 20 years as a "Clean Energy Adjustment."

A spokeswoman for Financial Accountability Officer Stephen LeClair said Friday the office doesn't comment on politicians' requests, but said in March they had already been planning a report on the hydro plan.

LeClair received a full technical briefing last month and the government has responded to all follow-up requests for information, Energy Minister Glenn Thibeault said in a statement.

"We welcome and encourage the independent financial accountability officer to review Ontario's Fair Hydro Plan," Thibeault wrote.

"We expanded the FAO's oversight last fall, which improved his office's access to information, making it

even easier to provide important analysis. These enhanced powers, combined with the technical briefing, will give the FAO access to the necessary information required."

Ring of Fire

The Canadian Press moved a story on its wire this afternoon on the letter you sent this week to the First Nations chiefs warning them about delays in Ring of Fire talks.

We have included the story below for your reference:

Wynne warns First Nations about delays in Ring of Fire talks

Ontario Premier Kathleen Wynne is signalling to First Nations in the province's north that she's willing to abandon joint talks with them over building roads into the Ring of Fire region.

The provincial government has been talking with the chiefs of the nine Matawa First Nations for years, since the Liberals pledged \$1 billion to fund infrastructure into the chromite-rich area.

Wynne says in a letter this week to the chiefs that if Ontario is going to deliver on that commitment, there can't be any more delays.

She says the opportunity to build all-season roads and set the stage for future social and economic growth should not be squandered.

Wynne says while she continues to hope progress can be made, she is prepared to enter into bilateral discussions with the Matawa First Nations who do want to pursue transportation infrastructure.

The Ring of Fire is a mining area about 500 kilometres northeast of Thunder Bay, Ont., that holds one of the world's richest chromite deposits as well as nickel, copper and platinum.

French and Chinese Media Update

French

Radio-Canada reported on the \$528 million deal between Metrolinx and Alstom and on the opioid crisis after some experts have warned against the abusive use of a drug called Imodium by some drug addicts.

TFO continued to report on the nomination of Madeleine Meilleur as the likely next Commissioner of Official Languages, wondering if Trudeau's pick is a friendly one.

Chinese

Bad news is always good news. On the day government introduced its bill to cut hydro bills by 25%, the Opposition released a leaked cabinet document claiming Ontarians would have to pay back double in 10 years' time. The trick apparently worked as the outlets played up that very fear mongering point in their reports and headings. Sing Tao was fair enough to carry the rebuttal by Energy Minister Thibeault pointing out the document in question was outdated and that there won't be a more than 10% fee increase by 2028.

FYI - A large cyberattack crippled computer systems at hospitals across Britain on Friday, with appointments cancelled, phone lines down and patients turned away. Britain's National Health Service said hospitals were hit by an apparent "ransomware" attack, but there was no immediate evidence that patient data had been accessed.

FYI - President Donald Trump declared Friday that fired FBI Director James Comey had better hope there are no "tapes" of their private conversations. Trump's tweet came the morning after he asserted Comey had told him three times he wasn't under FBI investigation.

FYI – Media are reporting that Superior Court Justice Kelly Gorman adjourned Elizabeth Wettlaufer's case until June 1, when she will appear in person at the Hunter Street courthouse in Woodstock.

FYI – On Sunday morning you will deliver remarks and participate in the Sporting Life 10K run. Jennifer will be accompanying you. Have fun!

As always, let us know if you have any questions.

Kate, Jenn, Gurvinder and Ronan

Ronan Le Guern

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