

PUBLIC VERSION

**IN THE MATTER OF AN ARBITRATION UNDER CHAPTER ELEVEN OF THE
NORTH AMERICA FREE TRADE AGREEMENT
AND THE 197 UNCITRAL ARBITRATION RULES**

BETWEEN:

RESOLUTION FORET PRODUCTIONS INC.

Claimant

AND:

GOVERNMENT OF CANADA

Respondent

PACEN . 2016-

REJOINDER WITNESS STATEMENT OF JEANNE CH

March , 20

I, Jeanni Cho , of 660 H llis Stre t, t e City of H lif x, in he Pro ince of Nova Sco ia hereby AFF RM as ollo s:

1. I su mit thi Rejoinde W tness S atement to address er ain allegation in the December 6 2 19 Reply Memori l by Re olute Forest Produ t In . (Resolut ”). I do not res ond o very statement m de n Re olute’ Re ly but ha sho ld n t be ta en t mean that I agree it any char cte ization o s atem nt not ddressed in this wit ess statement.

RESOLUTE’S ALLEGAT ON RE ARDING THE “APPRO AL” OF HE LOAD RET NTION RATE (“ RR”) BY THE MI IST R OF ECONOMIC A D RURAL D VELOPMENT AND TO RISM

o e stat s in its Repl Me orial t at [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]¹

3. his i not correc . T e Minis er of Ec nom c nd Rural ev lopment and Tourism (“ERD ”) has no author ty to pprove le tric ty rates in n
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

¹ Re ly, ¶ 4 . Resolut r fers to C-182 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] See i nes tat ment f Jean how, l 2019, ¶ 17.

² See e.g., C-346, [REDACTED]
[REDACTED]

³ C-182, [REDACTED]
[REDACTED]

4. This is akin to a bank stipulating certain conditions before releasing the funds to the borrower under a mortgage agreement, such as obtaining a home inspection report, an electrical compliance certificate and property surveys. Since a bank cannot control whether a home is structurally sound, compliant with the electrical code or built on residential zoned land, the bank will stipulate that proper and satisfactory certifications must be obtained by the borrower before loan money is disbursed. This is prudent lending practice, but it does not mean that the bank's approval was necessary to obtain those certifications from third parties or that it had any control over the outcome of those distinct processes.

RESOLUTE'S ALLEGATIONS REGARDING THE GNS' FINANCIAL SUPPORT FOR PORT HAWKESBURY

5. I would like to provide my views on other allegations in Resolute's Reply Memorial regarding the financial assistance provided to Port Hawkesbury.

6. Resolute makes various statements to the effect that the GNS intended to harm Resolute by providing Port Hawkesbury a "virtual guarantee to become immediately and remain in perpetuity North America's lowest cost producer."⁴ I do not believe this accurately reflects the motivations of Nova Scotia. We were focused on determining whether a reasonable amount of financial assistance could enable Port Hawkesbury to potentially operate profitably taking into account the potential market risks and opportunities as well as the negative impact on the Province's economy were the mill to close permanently. Whether the company would be profitable, let alone achieve its "lowest cost" goal, depended on many factors that were not in the control of the Government of Nova Scotia.

7. Resolute also states that the GNS [REDACTED] I do not think this is a fair or accurate characterization.

8. In assessing whether EDRT should provide financial support to a company through the Province's Jobs Fund (and if so, how much and under what terms), we would on occasion seek advice from outside consultants to inform us about the market and help us to analyze the

⁴ Claimant's Reply, ¶ 20.

⁵ Claimant's Reply, ¶ 141, referring to R-161, [REDACTED]

