

Mackenzie Valley Environmental Impact Review Board

Box 938
200 Scotia Centre, (5102-50th Avenue)
Yellowknife, NT X1A 2N7
Fax : (867) 920 - 4761

Our File EA00-004

August 28, 2001

David Livingstone
Director, Renewable Resources and Environment
Indian and Northern Affairs Canada (INAC)
P.O. Box 1500
Yellowknife NT X1A 2N7

Dear Mr. Livingstone:

**Re: Paramount Resources Cameron Hills Drilling Environmental Assessment (EA) - INAC
Technical Analysis**

On August 22, 2001, Indian and Northern Affairs Canada (INAC) submitted its technical analysis for the Paramount Cameron Hills Drilling EA to the Mackenzie Valley Environmental Impact Review Board (Review Board). While the Review Board appreciates the effort taken to prepare the submission, it has decided to provide comments on and request clarification on specific items included in the INAC technical report.

General Comments - 2nd Paragraph

INAC states that the Review Board combined the environmental assessments of related projects in the Paramount Liard East EA "*in order to assess their impacts in a holistic and comprehensive manner.*" This statement is incorrect. The Review Board did not issue reasons for its decision to combine these projects into a single EA.

General Comments - 3rd Paragraph

INAC states that linkages were apparent between the drilling project and the gathering system and pipeline project when the applications for the gathering system and pipeline were submitted to the Mackenzie Valley Land and Water Board (MVLWB) on April 20, 2001. Please explain to whom were these linkages apparent. What definition of "linkage" was used? What specifically are the nature of these linkages between the projects?

If these linkages were apparent to INAC during the preliminary screening process, it was encumbered upon INAC in its capacity as an expert contributor and Regulatory Authority to inform the Mackenzie Valley Land and Water Board that the gathering system and pipeline project should be included in the drilling project EA that was being undertaken by the Review Board and, if necessary, exercise its authority with respect to Section 126(2)(a) of the *Mackenzie Valley Resource Management Act* (MVRMA) to refer the gathering system and pipeline project to the Review Board for an EA. Please inform the Review Board on what basis and rationale did INAC choose to not exercise its authority under the MVRMA.

General Comments - 4th Paragraph

INAC states that the Review Board had two options for proceeding with this EA with INAC's preferred option being combining the drilling project EA with the gathering system and pipeline EA. Please provide the rationale for INAC arriving at these two options and for selecting a preferred option. Also, given INAC's role as the Federal Minister under the MVRMA, please explain the implications on the developer and on the

acceptance of the Review Board's Report of Environmental Assessment by the Federal Minister if the Review Board does not proceed with either of the two options identified by INAC.

Cumulative Effects (CE) Assessment - 1st Paragraph

INAC states that "*the information on other developments in the region is needed to assist with a determination of spatial boundaries for the CE assessment.*" Please explain what information is required by INAC and the rationale for the requirement.

Please note that this information could have been requested by INAC by using an Information Request earlier in the EA process during the time period designated for the submission of IRs.

For guidance on future submissions, please refer to the submissions made by the Government of the Northwest Territories and Environment Canada. Submissions should provide a clear indication of INAC's determination of significance and any recommendations that are being made to remediate, alleviate or avoid impacts on the environment.

Overall Technical Determination - 1st Paragraph

INAC states that it used its Land Information Management System (LIMS) in its consideration of potential cumulative impacts. Any information considered by INAC that was not on the Public Registry that would assist other reviewers, the Review Board and the proponent shall be placed on the Public Registry. Alternatively, please refrain from referencing evidence that others have not had the opportunity to access through the Public Registry. Please provide the information that was obtained from LIMS to the Review Board along with your response to this letter.

INAC states that "*Paramount Resources should have identified any future potential cumulative impacts resulting from its second development; however, DIAND has determined that these developments and associated activities are not likely to cause significant adverse impact on the environment.*" Please identify the impacts that have been identified by INAC that were not identified by Paramount and also describe the rationale and methods used by INAC to determine that these impacts are not likely to be significant.

The Review Board would also like to remind INAC that, while it's opinion on impact significance is valued and given consideration by the Review Board, it is the responsibility of the Review Board to make the determination of significance according to Section 128 of the MVRMA. As such, the statement by INAC that the impacts would not likely be significant, without identifying those impacts or the rationale for the conclusions, is of no value to the Review Board and just leaves unresolved issues that must eventually be clarified.

Please provide your response to this letter by Wednesday August 29th to avoid delaying the completion of this EA any longer than is required. If you have any questions, please call me at 867-873-9193.

Sincerely,



Joe Acorn
Environmental Assessment Officer