



# Giant Mine Environmental Assessment

## IR Response

Round One: Information Request - Alternatives North #22

May 31, 2011

### INFORMATION REQUEST RESPONSE

**EA No: 0809-001**

**Information Request No: AltNrth #22**

**Date Received:**

February 28, 2011

**Linkage to Other IRs:**

Alternatives North IRs: #07, #10, #12, #15

YKDFN IR #02

City of Yellowknife IR #09

Review Board IR #11

Also linked to the INAC response to the Review Board fourth deficiency statement regarding funding certainty

**Date of this Response:**

May 31, 2011

**Request:**

Is INAC prepared to research and investigate options other than annual or occasional parliamentary budgetary approvals to fund the perpetual care requirements associated with the Giant Mine Remediation Project? If so, please provide a timeline and preliminary budget for this work.

**Reference to DAR (relevant DAR Sections):**

Table 6.13.4 of the DAR presents a summary of estimated costs for the implementation phase of the Giant Mine Remediation Project, and Table 6.13.5 presents a summary of estimated annual costs over the long-term. This latter Table identifies the estimated cost for long term operations and maintenance as \$1.91 million per year. The DAR also states that INAC will seek the necessary Treasury Board approvals in order to obtain this long term funding.

**Reference to the EA Terms of Reference**

Section 2.3 of the Terms of Reference (Temporal Scope) – “As the contaminant will continue to exist on the site, the risk of potential contamination may exist in perpetuity. To predict impacts in the future, assumptions must be made about future events and conditions” (p. 7).





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Section 3.2.2 of the Terms of Reference requires the Developer to provide: “A description of project feasibility including financial feasibility. Include discussion of funding certainty for the development and related monitoring” (p.10).

### Summary:

- INAC has a high level of confidence that the Giant Mine site will remain a government priority and that long-term funding will continue to be made available.
- The Government is aware of the Giant Mine and is committed to meeting its obligations.
- As a result of the high level of confidence and past success in securing funding for the Remediation Project, INAC is not currently prepared to research and investigate funding options outside of the current ongoing and well established approach (i.e., the parliamentary budget approval process).
- In INAC's view, the budgeting and approval of expenditure authority, required for all government projects, are the appropriate mechanisms to address funding of the perpetual care requirements associated with the Giant Mine Remediation Project.
- However, should conditions change; INAC would be open to considering the most effective and efficient funding mechanism that would maintain the integrity of the Remediation Project.

### Response:

The funding for the Remediation Project of the Giant Mine site is provided by the Federal Contaminated Sites Action Plan (FCSAP). To date, Federal Government support and funding has been stable and consistent. Since the announcement in 2004, the Government of Canada has continually expressed its commitment to the program and has spent in the order of \$95 million on the Giant Mine site. Prior to the establishment of the FCSAP program, INAC spent \$14 million on the care and maintenance of the Giant Mine site between 1999 and 2004. This is a strong historical track record of dependable funding and support on behalf of INAC and the Federal Government. Building upon past success, INAC continues to use best practices and efforts to ensure that funding will be available for the life of the Project.

It is also important to underscore the difference between the Government of Canada and a non-government proponent. The government of Canada is a democratic constitutional entity and is not at risk of disappearing, going bankrupt, or de-listing in the same manner as a private-sector corporation or other commercial actor.

The Giant Mine site is well known throughout Canada as one of the most contaminated sites under the responsibility of the Federal Government. There are aspects of the site that pose potentially significant risks to both human health and the environment. Given this high and public risk profile, the mine site has remained a government priority since the late 1990s when the Crown became involved. Since that time INAC, as the federal department responsible for the site on behalf of the Government of Canada, has allocated resources to effectively manage risks at the site while developing a remediation plan. Based on the significant investment to date, and the consistent priority given to the management of the risks at the Giant mine site, it is expected that this Project will remain a priority. The Government is aware of the Giant Mine and is committed to meeting its obligations. This long-term commitment will





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be reinforced through adherence to the Developers' obligations under applicable licences, permits and regulatory law.

Further to the above, the Governments of Canada and the Northwest Territories (NWT), in selecting the preferred remediation option for the site, have recognized and accepted that the Giant Mine Remediation Project includes long-term care, maintenance and monitoring. The DAR also states clearly that several elements of the project will be required to be addressed in perpetuity. Long-term care, maintenance and monitoring are essential components of the remediation approach at the Giant Mine site that will protect human and environmental health and safety and ensure the integrity of Canada's investment.

INAC maintains a very high level of confidence that the Giant Mine site will remain a priority and that long-term funding will be made available due to the fact that:

- the site has a number of known potential risks to both human health and the environment;
- government support and funding has historically been stable and consistent;
- a significant level of investment of public funds has already been made; and
- all stakeholders, including the Governments of Canada and the Northwest Territories, are aware of the long-term nature of the project.

In INAC's view, the budgeting and approval of expenditure authority, required for all government projects, are the appropriate mechanisms to address funding of perpetual care associated with the Giant Mine Remediation Project. INAC is not prepared to research and investigate funding options outside of the ongoing and well established approach (i.e., the parliamentary budget approval process). However, should conditions change; INAC would be open to considering the most effective and efficient funding mechanism that would maintain the integrity of the Remediation Project.

