

Mackenzie Valley Environmental Impact Review Board

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May 22, 2001.

The Honourable Robert D. Nault, P.C. M.P.
Minister, Indian and Northern Affairs Canada,
MINISTER'S OFFICE,
10 Wellington St., North Tower,
Hull, P.Q., K1A 0H4

Re: Consultation on the Environmental Assessment Report for BHP Diamonds Inc. proposed development of the Sable, Pigeon and Beartooth Pipes

Dear Mr. Nault,

The Mackenzie Valley Environmental Impact Review Board (Review Board) will be meeting with your senior Yellowknife officials today to initiate the consultation on the above report which you requested on behalf of the Responsible Ministers on April 12. To ensure that the meeting is productive, we anticipate, pursuant to section 3 of the Mackenzie Valley Resource Management Act (Act), that your officials will clarify the position of the Responsible Ministers in sufficient form and detail to allow the Review Board to properly participate in this consultation process.

To further expedite this process, the Review Board would like to provide an initial outline of its position with respect to comments on recommendations 47 and 48 which were enclosed with your April 12th letter.

The Review Board is willing to discuss revisions to the wording of recommendation 47 which will ensure that the effects of a boom-bust cycle will be addressed at a specific date prior to mine closure. It seems to the Review Board that we should be able to quickly come to agreement on revised wording for recommendation 47.

Unfortunately, with respect to recommendation 48, it appears that your officials have misconstrued both the nature of the evidence heard by the Review Board and the issues which we sought to address with our recommendation. The Review Board has clear authority and a duty under sections 111, 114 and 115 of the Act to address the effects of this proposed development on the social, cultural and economic well-being of residents and communities of the Mackenzie Valley.

The Review Board did not mistake the federal-territorial fiscal relationship with the development under review. We consider a recommendation addressing the funding of mitigation measures necessary to offset the social and economic impacts of this development to be both reasonable and within the Review Board's jurisdiction. We are, of course, open to a discussion which will avoid any confusion about the impacts being addressed and will be more specific in identifying the action to be taken to mitigate these impacts.

The Review Board looks forward to the information requested about the Responsible Ministers' position with respect to this consultation and remains prepared to initiate consultation.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Lennie". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

Gordon Lennie, Chairperson
Mackenzie Valley Environmental Impact Review Board

cc. Mr. Bob Overvold, Regional Director General, DIAND
Mr. Bob McLeod, Deputy Minister, Resources, Wildlife and Economic Development, GNWT.