



Review Board File: EA01-005

January 8, 2002

Michel Mantha
Secretary
National Energy Board
444 Seventh Avenue SW
Calgary, AB T2P 0X8

Dear Mr. Mantha:

Re: The Mackenzie Valley Environmental Impact Review Board's Report of Environmental Assessment on the Paramount Resources Ltd. Cameron Hills Gathering System and Pipeline Development.

The Mackenzie Valley Environmental Impact Review Board (Review Board) is pleased to report that it has concluded the consultations with Indian and Northern Affairs Canada (INAC), the National Energy Board (NEB) and Fisheries and Oceans Canada (DFO) on the measures contained in the above-noted report. These consultations occurred at the request of INAC and the NEB by letters dated December 20th, 2001 and December 18th, 2001, respectively, pursuant to subsections 130(1) and 131(1) of the *Mackenzie Valley Resource Management Act (MVRMA)*.

The subject of the consultations was Measures #7, #8, #13, #14, #15, #16 and #17. After considering the evidence presented during the consultations, the Review Board has approved modifications to all of these measures. The approved modified measures are as follows:

- Measure #7 The MVLWB and/or the NEB ensure that the downstream water flow is maintained at pre-in stream work water levels for isolated pipeline crossings.
- Measure #8 The MVLWB and/or the NEB ensure that each pipeline crossing where flowing water is encountered and an isolated crossing is used be completed as quickly as possible using acceptable methods to prevent significant disruption of fish movements.
- Measure #13 Paramount is to discuss, develop and implement a wildlife and resource harvesting compensation plan with potentially affected First Nation communities – Deh Gah Go'tie First Nation, Fort Providence Metis, Ka'a'gee Tu First Nation, K'atlodeeche First Nation and West Point First Nation. The scope of the plan is to include compensation for hunting, trapping, fishing and other resource harvesting activity losses resulting from the development as agreed to by Paramount and the communities. Paramount is to commence the consultations as soon as possible, with a draft plan submitted to the communities within 60 days of EA Report acceptance by the INAC Minister and a final plan submitted to the communities within 90 days of EA Report acceptance. The plan is to apply retroactively to impacts arising from the start of construction of the gathering facilities and pipeline. If requested by Paramount or any of the communities, the GNWT and INAC are to facilitate the discussions on the plan.

- Measure #14 The MVLWB and/or the NEB should ensure that the affected aboriginal communities have been provided a copy of the TK study and an opportunity to comment on the study and Paramount's proposed mitigative measures. The MVLWB and/or the NEB should ensure that Paramount implements appropriate mitigative measures to address impacts throughout the lifespan of the development.
- Measure #15 Paramount and the communities are to cooperate to the fullest extent possible in developing the wildlife and resource harvesting compensation plan. If the parties are unable to come to an agreement on the contents of the plan within the 90 day period, an independent arbitrator shall be jointly appointed within 30 days by the GNWT and INAC. The arbitration process shall conclude within 30 days of the appointment of the arbitrator.
- Measure #16 Following review and acceptance of Paramount's Cameron Hills Annual Report, INAC will provide copies of the Report to the GNWT, the Review Board, the MVLWB and the potentially affected First Nation communities. The scope of the Annual Report should detail consultations undertaken with the local communities, discuss concerns raised by the communities, describe how Paramount has addressed or intends to address these concerns and discuss what actions Paramount will take to enhance positive socio-economic impacts and mitigate negative socio-economic impacts.
- Measure #17 This measure has been deleted.

The Review Board will be modifying its *Report of Environmental Assessment* to include these modified measures and distributing copies to all of the environmental assessment participants.

The Review Board also wants to thank all of the participants at the January 4th, 2002 consultation meeting for the co-operative and constructive manner in which these measures were discussed. The Review Board intends that this meeting will provide guidance on the manner in which future Ministerial consultations will occur.

Sincerely,



Frank Pope
Alternate Chair

