Environmental Affairs – Programs P.O. Box 8550 3rd Floor, 344 Edmonton Street Winnipeg, Manitoba R3C 0P6

Your File Votre référence EA1011-001 Our file Notre référence 7184-70-2-50

September 27, 2010

Paul Mercredi Environmental Assessment Officer Mackenzie Valley Environmental Impact Review Board 200 Scotia Centre Box 938, 5102-50th Ave Yellowknife, NT X1A 2N7

Dear Mr. Mercredi:

Re: Scoping Comments for the Avalon Rare Metals Inc.'s Nechalacho Rare Earth Element Project –EA1001-001

Transport Canada attended the technical scoping session held on September 9th and 10th, 2010 in Yellowknife for the Avalon Rare Metals Inc.'s Nechalacho Rare Earth Element Project and appreciates the opportunity to provide input into the scoping phase of the environmental assessment.

Transport Canada is responsible for transportation policies and programs that promote a safe transportation system, ensuring that they work effectively and in an integrated manner. Transport Canada has conducted a review of the project description in accordance with our departmental mandate and based upon this initial review Transport Canada is likely to be a Responsible Minister for this project under the *Navigable Water Protection Act*, and offers the following comments for your consideration:

Access

Barging

- Additional construction details related to the existing barge and dock facilities, including type of material required, duration and potential impact to existing barge operations in the area.
- The proponent should provide the current recreational, commercial and traditional navigational use of affected water bodies. Potential impacts and impediments should be identified to determine and assess the potential impact to navigational safety.

Barging and Fuel Storage

- If barges are to be used as a fuel storage facility or if fuel is to be transferred directly from the barge to a land based fuel storage facility, details should be provided on the timing and frequency of such events.
- If barges are to be frozen in land fast ice, provide details related the frequency, number of vessels and contingency plans for spills that may occur.



Roads

- All works on, in, near, over or under, including any crossings of a water body must be identified and assessed for the potential impacts on navigational use and safety.
- Provide detailed information regarding the upgrades to the existing and proposed access roads that would require the use of culverts.

Other

Airstrip

Provide a complete description of the existing or proposed airstrip and its associated
facilities current and proposed use. The description should include the dimensions and
drawings showing the airstrip facilities and their dimensions (runway, taxiway & apron)
and identify if the airstrip is equipped with lighting facilities for nighttime operations.

Should you have any questions pertaining to these comments, please do not hesitate to contact me at (204) 983-5857 or via email at Sophia.Garrick@tc.gc.ca.

Sincerely,

Sophia Garrick

Environmental Officer Programs, EA North

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Cc: Doug Soloway - Superintendent Environmental Assessment Management Program (North)