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January 9, 2004

RE: Comments on the "Draft Workplan for the Environmental Assessment of the Mackenzie Valley Gas Pipeline Project"

Dear Mr. Christensen

These preliminary comments on the "Draft Workplan for the Environmental Assessment of the Mackenzie Valley Gas Pipeline Project" are provided on behalf of the Government of the Northwest Territories (GNWT). As GNWT staff were on Mandatory Leave and Statutory Leave during much of the consultation period established by the Mackenzie Valley Environmental Impact Review Board (MVEIRB), these comments are very general in nature in order to meet the schedule of the MVEIRB. Should there be an extension to this time period, the GNWT will provide greater detail on its concerns.

The GNWT recognizes the significance of the Mackenzie Gas Project (MPG) to the Northwest Territories. The GNWT has participated in the development of the cooperative planning process and recognizes the necessity of an indepth environmental assessment process based on documentation that describes the project in detail and the projected environmental, social and economic effects. The GNWT also recognizes the unique legal processes that were designed in the **Mackenzie Valley Resource Management Act** (MVRMA) intended to provide for the protection of the environment in combination with the protection of the social, cultural and economic well-being of northern residents. The GNWT places great value on the MVRMA and the boards established under the Act.

The concerns of the GNWT, related to the draft workplan for the environmental assessment of the MGP, revolve around the benefits derived from the application of the MVRMA and the change proposed by the MVEIRB in the conduct of it's environmental assessment. The initial GNWT comments on this change are grouped under four areas of concern as follows.

1) Design of the Environmental Assessment Process

In the "Introduction" to the Draft Workplan, the MVEIRB indicates that Phase 1 would consist of public meetings in up to 10 communities directly affected by the project as described in the Mackenzie Gas Project Preliminary Information Package (PIP) which was released by the proponent in June 2003. The purpose of the Phase 1 is predominantly to gauge the level of public concern. However, Section 5.1.2 c lists the purpose of the Public Hearings also as a mechanism to gather and record evidence of significant adverse environmental impacts.

As no additional information is required from the proponent in Phase 1, the only information for intervenors on which to base their analysis and provision of evidence is the Camsell Bend applications and the PIP. As the Review Board may be aware, the PIP was a very broad brush conceptual plan with a number of concept options and very limited environmental, social or economic information. Since the release of the PIP, the proponent has continued refine the overall concept and there have been a number of decisions that modify the conceptual plan. The proponent has also refined the detail on the specific pipeline routing(s) and design and location of required facilities. There is no indication by the MVEIRB that these updates will be used in the analysis of potential significant impacts. As a result, the GNWT would be unable to provide the MVEIRB with evidence on “significant adverse environmental impacts” other than in very general terms. If the GNWT attempts to do so, without greater information on the project, the result could be the provision of evidence on potential environmental impacts of the project that may not be valid or may already be mitigated in the design of the proponent.

Given the superficial level of information provided to date, there is a risk that significant impacts that have not yet been considered and could not be identified in Phase 1. While the GNWT appreciates the need to move forward quickly on this project the rush of an environmental review by the MVEIRB without sufficient analysis could result in problems in the future. Since the Phase I portion of the workplan will be used to define the scope of work for Phase II of the proposed environmental assessment process, should it occur, any issues not addressed in Phase I could hinder the ultimate success of Phase II.

2) Intent of the Workplan

Section 5.1.2 b, indicates that a primary reason for the proposed Phase 1 process is determination of public concern. While the GNWT understands that the proponent has carried out community information sessions and issues scoping sessions in several communities in the Mackenzie Valley, the major policy arms of the GNWT have not been included in these activities. While the GNWT has limited resources, it attempts to support efforts on activities that will result in meaningful results. From the GNWT's perspective, it is more efficient to avoid raising issues that are not relevant to the project as currently planned and to avoid expending resources on activities that have been dealt with in the pre-application planning processes of the proponent.

However, the GNWT recognizes that the strong social, economic, cultural and traditional concerns identified within the **Mackenzie Valley Resource Management Act (MVRMA)** are strongly support by the Review Board. While the GNWT recognizes the interest of the Review Board in a timely and efficient referral to the highest level of environmental assessment described in the MVRMA as identified in Section 5.1.2 a, there are certain positive benefits of the reduction in the MVEIRB environmental assessment process.

Because of the positive benefits of the environmental assessment process, as conducted by the Review Board, the GNWT believes that following the normal MVEIRB environmental process is more methodical and would provide more complete and current information on the project and public concerns and, therefore, permit the GNWT to represent its full slate of social, cultural, economic and environmental issues in an appropriate context. The quick referral of the project to Environmental Impact Review may result in an inadequate review of these key components of interest to the GNWT and its mandates. Once the project goes to a joint panel, there is the possibility that GNWT specific issues, particularly in the realm of social, cultural and economic well-being, will be diluted.

3) Impact on GNWT Services

The Mackenzie Gas Project and its facilities will have substantial implications for services delivered by the GNWT including the need for regulatory applications and related environmental assessments. As an example, the potential development of the project installations within the Mackenzie Valley will require the construction, upgrading and maintenance of territorial roads, highways, airport facilities, ferry operations and infrastructure by the NWT Department of Transportation (DOT). These activities, in turn, require support by territorial programs -- for example: chemical storage areas, septic treatment systems, brush clearing, water usage, bathymetric studies of water bodies along the route in addition to community consultation, etc. The project proponent and the MVEIRB will need to be aware of the implications of the proposed oil and gas development project on DOT operations. Consideration of such implications should, therefore, be a component of the environmental assessment.

4. Educational Benefit

The GNWT also believes that the conduct of the a normal environmental assessment of the Mackenzie Gas Project will have a secondary benefit to northerners – that of increasing the awareness and understanding of northern residents regarding current industrial practices prior to the major Environmental Impact Review stage outlined in the cooperation plan. The MVEIRB's normal environmental process will allow both residents of the Mackenzie Valley and the GNWT to refine its perspective on the key issues and gaps based on this understanding rather than a hypothetical understanding. In turn, this would allow the GNWT to more efficiently contribute to the draft Terms of Reference for the detailed project description and Environmental Impact Statement when it is issued by the Joint Panel.

In summary, the GNWT recognizes the efforts of the MVEIRB to simplify the environmental process in order to enter the Joint Panel process outlined in the Cooperation Plan. However, the GNWT also recognizes the benefits provided by the normal environmental assessment process conducted by the MVEIRB. The GNWT recognizes a number of pitfalls if the MVEIRB follows the Phase 1/Phase 2 approach currently proposed. The GNWT respectfully requests that the MVEIRB reconsider its approach.

Yours Sincerely

Original Signed by

Gavin More
Manager, Environmental Assessment