



9 February 2006

The Honourable Rona Ambrose
Minister of the Environment
Les Terrasses de la Chaudière
10 Wellington Street
Hull, (Qc) K1A 0H3

Dear Minister:

Enbridge Gateway Project – Environmental Assessment Process Recommendation

On 1 November 2005, Gateway Pipeline Inc. submitted a Preliminary Information Package (PIP) to the National Energy Board, the Canadian Environmental Assessment Agency, and relevant federal agencies. The submission of the PIP initiated relevant federal departments to jointly develop a recommendation to the Minister of Environment on the appropriate environmental assessment process for the proposed Enbridge Gateway Project.

The proposed project described in the PIP includes the construction and operation of an export oil pipeline and an import condensate pipeline within a ~ 1,150 km right-of-way between an inland terminal near Edmonton, Alberta and a marine terminal near Kitimat, British Columbia. Gateway Pipeline Inc. also proposes to construct and operate marine infrastructure at tidewater to accommodate the transfer of oil and condensate into and out of tankers. The purpose of the proposed project is to export oil sourced from the Alberta oil sands region to markets around the Pacific Rim and in the western United States, and to import condensate from a variety of locations worldwide for transport to Edmonton, Alberta, to be used in bitumen processing. The proposed project has an estimated capital cost of approximately \$4 billion (2005 Canadian dollars).

The NEB, Transport Canada, Fisheries and Oceans Canada, and Indian and Northern Affairs Canada have anticipated they will be responsible authorities under the *Canadian Environmental Assessment Act* and will ensure that an environmental assessment of the proposed project is undertaken. The responsible authorities have determined that the project is subject to a comprehensive study under the CEA Act pursuant to paragraph 14(a), Part IV of the *Comprehensive Study List Regulations*:

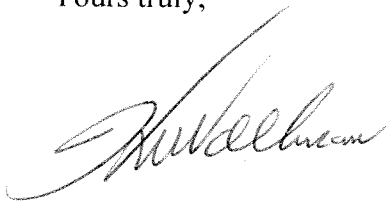
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14. (a) the proposed construction of an oil pipeline more than 75 km in length on a new right-of-way

Environment Canada may become a responsible authority if dredging and disposal at sea will be required for the construction and maintenance of the proposed marine terminal facilities. Natural Resources Canada may become a responsible authority if Gateway Pipeline Inc. will require a license for the production and/or storage of explosives. Health Canada can provide expert advice in relation to the proposed project. The proposed project does not trigger a provincial environmental assessment process in Alberta or in British Columbia.

Pursuant to section 25 of the CEA Act, the responsible authorities can make a recommendation to the Minister of Environment on the environmental assessment process for the proposed project. After examining the information submitted in the PIP, additional information submitted by Gateway Pipeline Inc. on 9 January 2006 related to public concerns about the proposed project, and several letters from potentially affected First Nations along the proposed route, the NEB, in consultation with the responsible authorities, submits to you a recommendation that the proposed project be referred to a review panel. Should you accept this recommendation, the NEB and responsible authorities recommend you initiate additional discussions to develop a draft scope of the project and scope of the environmental assessment that could be sent out for public comment with the terms of reference for the review panel.

Yours truly,



Kenneth W. Vollman
Chairman

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