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Ottawa, Ontario  
K1A 0H3

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

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NEB / ONE

February 3, 2006

Re: Environment Canada's Support of a referral of the Enbridge Gateway Pipeline Project to Panel under section 25 of the *Canadian Environmental Assessment Act*

Mr. Mantha,

This letter confirms Environment Canada's support of a referral of the Enbridge Gateway Project to a review panel under section 25 of the *Canadian Environmental Assessment Act* (CEAA). This letter also confirms Environment Canada's consent for the National Energy Board to convey this position to the Minister of Environment, on behalf of Environment Canada as a Responsible Authority (RA) for the proposed project.

Environment Canada's understanding of the proposed project is that it includes:

- the construction and operation of an export oil pipeline and an import condensate pipeline, approximately 1,150 km in length, to be located between a terminal near Edmonton, Alberta and a marine terminal near Kitimat, B.C.;
- the construction of a new marine terminal and marine infrastructure near Kitimat to accommodate loading and unloading of oil and condensate tankers;
- the construction of tankage facilities at the Kitimat terminal for oil and condensate storage (capacity of 5,500,000 bbl); and,
- the potential for expanding the Edmonton terminalling facilities or construction of new Edmonton terminalling facilities.

While this project would normally trigger a comprehensive study under CEAA, it is Environment Canada's understanding that the proponent (Gateway Pipeline Ltd. Partnership) has requested that the proposed project be referred directly to a review panel. As well, the proponent is seeking that the Minister of Environment enter into an agreement with the National Energy Board to establish a joint review panel.

Under section 25 of CEAA, the RA may request the Minister to refer the project to a mediator or a review panel, where a RA is of the opinion that either:

- 1) a project, taking into account the implementation of any mitigation measures that the responsible authority considers appropriate, may cause significant adverse environmental effects; or,
- 2) public concerns warrant a reference to a mediator or a review panel.



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Environment Canada is of the view that the proposed project warrants a reference to a review panel. This conclusion is based upon two key considerations:

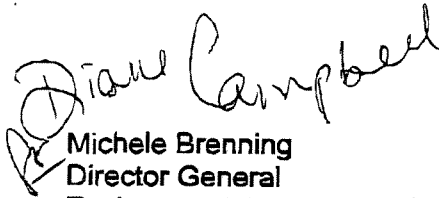
1. Environment Canada's preliminary understanding of the extent, complexity, and nature of the proposed project; and,
2. the extensive public concerns that have been conveyed to the proponent based upon their consultations conducted in the fall of 2005, as well as concerns that have been raised directly to Environment Canada and other federal departments.

In the interest of ensuring a timely, efficient and effective environmental regulatory review process, Environment Canada supports the establishment of a joint review process by the National Energy Board and the Canadian Environmental Assessment Agency.

Environment Canada looks forward to continued dialogue and engagement with you on this project.

Should you have any questions regarding the above, please call Phil Wong at (604) 666-2699 in our Vancouver office.

Yours sincerely,



Michele Brenning  
Director General  
Environmental Protection Operations Directorate  
Environment Canada

cc: Diane Campbell  
Peter Blackall  
Mike Nassichuk  
Phil Wong  
Debra Myles, Canadian Environmental Assessment Agency