

July 13, 2007

Mr. Keith Ferguson
Sierra Legal Defence Fund
Suite 214 – 131 Water Street
Vancouver, BC
Canada V6B 4M3

Dear Mr. Ferguson,

Re: Motion on behalf of Sierra Club of Canada (SCC) and the World Wildlife Fund (WWF) requesting that the Joint Review Panel commission a scenario-based cumulative effects assessment (CEA) in accordance with the Greig and Duinker report

The Joint Review Panel (Panel) has considered your letter on behalf of the Sierra Club of Canada (SCC) and the World Wildlife Fund (WWF) dated June 6, 2007 requesting that the Panel issue an order on two matters related to cumulative impact assessment (the Motion). The Motion requests the Panel to:

1. Commission an independent scenario-based cumulative effects assessment (CEA) in accordance with the Greig and Duinker report, and
2. Ensure the scenario-based CEA report is distributed in advance of the Panel's hearing on cumulative effects.

The Panel has also considered submissions on the Motion from:

- Alternatives North Coalition
- Ayoni Keh Land Corporation
- Robert Bromley
- Canadian Arctic Resources Committee
- Canadian Parks and Wilderness Society
- Ecology North
- Government of the Northwest Territories
- Imperial Oil Resources Ventures Limited
- Indian and Northern Affairs Canada (in collaboration with Environment Canada, Fisheries and Oceans Canada and Parks Canada)
- K'ahsho Got'ine District Land Corporation
- Nature Canada
- North Slave Metis Alliance
- Yukon Government

Finally, the Panel has considered the rebuttal filed by SCC/WWF dated June 28, 2007.

Parties in agreement with the Motion included: Alternatives North Coalition, Robert Bromley, Canadian Arctic Resources Committee, Canadian Parks and Wilderness Society, Ecology North, Nature Canada and the North Slave Metis Alliance.

The Ayoni Keh Land Corporation and the K'ahsho Got'ine District Land Corporation did not agree with the Motion or that another study needed to be completed. The Government of the Northwest Territories, Imperial Oil Resources Ventures Limited, the Yukon Government and Indian and Northern Affairs Canada, on their own behalf and on the behalf of Environment Canada, Fisheries and Oceans Canada and Parks Canada, made submissions in support of their request that the Panel dismiss the Motion.

The Motion refers extensively to a document entitled "Scenarios of Future Developments in Cumulative Effects Assessment: Approaches for the Mackenzie Gas Project" by Lorne Greig and Peter Duinker (the

Greig and Duinker Report). The Report was prepared for the Joint Review Panel and was presented to the Panel and filed on the Public Registry on March 12, 2007.

Based on the following, the Panel denies the Motion:

1. The SCC/WWF request for the implementation of that recommendation is not consistent with the Greig and Duinker Report recommendation as written.

The Greig and Duinker Report states at page 25

“We believe that in cases such as this, the best approach is to conduct a forward-looking CEA based on long-term scenarios of possible alternative future developments. In the specific context of the MGP this would be more in keeping with the guidance given by the MVEIRB. The process for creating the development scenarios would follow the approach described above (section 5.2). It would also:

- (a) Be implemented prior to permitting future induced development.
- ...
- (b) Engage all relevant stakeholders in a dialogue about scenario content.
- (c) Explore opportunities to manage induced development in such a way as to keep unwanted cumulative effects acceptably small and promote desirable ones.
- (d) Engage independent professional facilitation.”

At paragraph 15 on page 9 of the Motion, the SCC/WWF seeks a ruling from the JRP that:

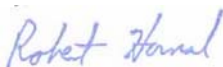
- “(a) The JRP will commission an independent consultant to prepare a scenario-based cumulative effects assessment (CEA) in accordance with the Greig and Duinker report; and
- (b) That this CEA will be distributed in advance of the cumulative effects hearing so as to allow all parties adequate time to consider it in their preparation for that hearing.”

The Greig and Duinker Report does not recommend that the JRP “commission an independent consultant to prepare a scenario-based cumulative effects assessment.” Neither does it recommend that the assessment be “undertaken prior to the cumulative effects hearing.”

2. The Greig and Duinker Report has not been fully tested in a hearing before the Panel. It would not be proper for the Panel to make a ruling on a recommendation that has not been fully tested.

The Motion raises a number of issues both procedural and substantive with respect to the cumulative effects assessment of the Mackenzie Gas Project. These should be fully discussed by all Parties in the Topic 15 hearing. Guidance for the Topic 15 hearing contained in the *Guidance Document for Hearings* issued by the Panel anticipates discussion of many of the matters raised in the Motion, as well as others that are not mentioned in the Motion. The Panel wants to hear from the Parties on these matters, and afford them and the Panel the opportunity to test the views presented.

Sincerely,



Robert Hornal
Joint Review Panel Chair