



The Honourable Sergio Marchi, P.C., M.P.
Minister of the Environment
Room 103-S, Centre Block
House of Commons
Ottawa, Ontario
K1A 0A6

NOV 8 1996 Rec'd - DFO

NOV 18 1996

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Dear Colleague: *Sergio*

I am writing with respect to the Voisey's Bay Mine/Mill Development Project being proposed by Voisey's Bay Nickel Company Limited.

On September 27, 1996, the Voisey's Bay Nickel Company submitted to the Department of Fisheries and Oceans (DFO) its "Project Description Report" setting out plans for the construction and operation of a mine/mill development to exploit the mineral resources located at Voisey's Bay in Labrador. In its submission, the company indicated its intentions to use three small lakes for the storage of waste rock and mine tailings. DFO has reviewed the project proposal and concluded that the use of these lakes in the manner indicated will likely harmfully alter, disrupt or destroy the habitat of Arctic char, brook trout and other fish species. The project would, therefore, contravene Sub-Section 35(1) of the *Fisheries Act* unless an Authorization pursuant to Sub-section 35(2) is issued by DFO. DFO has also concluded that the construction of dams to create tailings and waste rock storage areas will impede navigation on the affected waterways and therefore require a permit pursuant to Section 5(1) of the *Navigable Waters Protection Act*.

Decisions to issue a *Fisheries Act* Sub-Section 35(2) Authorization and a *Navigable Waters Protection Act* Sub-Section 5(1) Permit are subject to provisions of the Law List Regulation promulgated pursuant to the *Canadian Environmental Assessment Act* (CEAA). DFO is therefore, the Responsible Authority under CEAA with respect to the Voisey's Bay Mine/Mill Project. DFO has initiated an environmental assessment pursuant to CEAA and conducted a preliminary review of the project proposal.

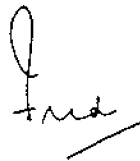
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As a result of this preliminary review, DFO has concluded that the Voisey's Bay Mine/Mill Project is likely to cause significant adverse environmental effects as set out in Sub-Section 20(1)(c) of the CEAA. In addition, in the course of my Department's involvement in the Voisey's Bay project review, it has become apparent that public concern exists over the effects of the project on the natural environment as well as the related effects upon residents of the area, particularly aboriginal people. As such, I am hereby referring the Voisey's Bay Mine/Mill Project to you and requesting that you convene a public panel review pursuant to CEAA.

I trust that you will be proceeding to convene a public panel review in the very near future. DFO would be pleased to provide advice regarding the establishment of such a review in order to expedite the process.

Sincerely,



Fred J. Mifflin, P.C., M.P.

FJM/gp