



Transport
Canada

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Prairie and Northern Region
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Your file Votre reference
08MN053

Our file Notre reference
7075-70-1-73

March 29, 2012

Amanda Hanson
Director, Technical Services
Nunavut Impact Review Board (NIRB)
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0

Re: Acceptance of FEIS and Next Steps in the NIRB's Review and the NWB's Water Licensing Process for Baffinland Iron Mines Corp.'s Mary River Project

Dear Ms. Hanson,

Transport Canada received the Nunavut Impact Review Board (NIRB) / Nunavut Water Board (NWB) letter dated February 29th, 2012 which indicated that the NIRB had viewed Baffinland's Final Environmental Impact Statement (FEIS) to be in compliance with both the NIRB's Guidelines and the NIRB's Pre-Hearing Conference Decision. This letter also initiated a 90-day technical review of the FEIS. During the initial 30 days of this review, the NIRB requested that interested parties submit Information Requests (IRs) as a means to identify any areas within the FEIS that should be clarified or would benefit from additional supporting information.

Transport Canada has conducted a review of the Baffinland – Mary River Project FEIS and offers the following IRs and query with respect to our mandate;

IR #1 - Transport Canada

- To whom the IR is directed: Baffinland Iron Mines Corporation's Owner (responsible for Port/Facility construction)
- The detailed information Transport Canada requires or issue/area of uncertainty;

To determine whether Transport Canada's legislative responsibilities for marine security are being met, through the Marine Transportation Security Regulations (MTSRs). We note, in the provided documents, it states that there is already in place infrastructure materials at the two ports, Milne and Steensby. Also, we noticed on their "Life of Project Schedule", that both ports are to be in construction mode during 2012 - 2014. A floating dock has already been constructed or will be this 2012 season. We need to inspect these areas as they are part of the security assessment that needs

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to be conducted/completed and provided to us, prior to startup, as listed in the (MTSRs). This inspection will ensure that any already completed infrastructure does not impact the security plans at the facility (ies) and therefore, will not require any changes due to security reasons later on. Steensby Port and maybe, Milne Port, requires a Statement of Compliance a Marine Facility certificate issued by Transport Canada, prior to conducting business with a Foreign Flagged Vessel or a Canadian Flagged Vessel, when transporting iron ore to another country. The SOLAS vessels require an International Ship Security Certificate from Marine Security (Minister of Transport) prior to conducting business. Marine Security will need to complete an inspection of the vessels prior to their service. The procedures for Baffinland Iron Mines Corp, to obtain the Statement of Compliance a Marine Facility certificate is that Transport Canada must complete a security assessment of the facility/site(s) and then evaluate the security plan for compliance to the MTSR for completeness, etc. This can take approximately 1-2 weeks, and if Transport Canada is not engaged early, prior to construction, this will increase the likelihood of some impact to business such as delay.

- Transport Canada's concern associated with the issue, specifically how and why it is required or important;

Any infrastructure in place at both facilities, will need to be reviewed and be assessed against the requirements listed in the Marine Transportation Security Regulations (MTSRs).

Vessels require an approved Vessel Security Assessment; Vessel Security Plan and a Ship Security Certificate.

Transport Canada Marine Security, PNR has provided a Security Assessment Package to Baffinland for their Company Security Officer. Transport Canada has also provided our 4 PKG DVD "Protecting Canada's Marine Transportation System" to the company.

The company must comply with the MTSRs for Part 2, Vessels and Part 3, Marine Facilities for ANY TEST RUNS to other countries, as this is part of the security assessment process. If test run shipments have already been conducted from Canada to another country, the company may be in violation of the MTSR's.

Canada's reputation/credibility will be impacted as we are signatories to the IMO. If we allow dirty vessels to leave uncertified facilities in Canada and arrive at another certified country's facility, like Rotterdam, they have the authority to turn the ship away.

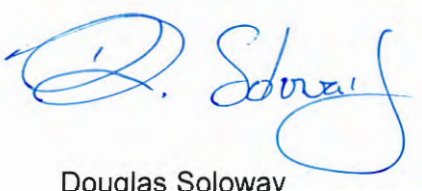
Transport Canada is required to be nationally consistent in the application of the legislation applicable to its citizens.

- Any Issues which Transport Canada feels remain unaddressed or unresolved or not clear.

David Hohnstein letter dated March 2, 2012 regarding the "Yellow" highlighted items still not resolved by Baffinland Iron Mines Corp - The due date was March 9, 2012. We are looking forward to resolution of Item 295, as it is still not addressed.

Transport Canada appreciates the opportunity to respond to this NIRB information request. Should you have any questions regarding Transport Canada's comments or information request concerning this project, please contact John Cowan via email at john.cowan@tc.gc.ca or by telephone at (204) 983-1139. Thank you.

Regards,



Douglas Soloway

Superintendent, Environmental Assessment Management (North) Program
Environmental Affairs, Programs
Transport Canada

CC: Jaideep Johar, Craig Miller, TC – Marine Safety
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