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EC File: 4703 003 018
NWB File: 2BB-MRY1114

Phyllis Beaulieu
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Nunavut Water Board
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Via email: licensingadmin@nunavutwaterboard.org

RE: Code Compliance Report for 2BB-MRY1114

Environment Canada (EC) has reviewed the above-mentioned Code Compliance Report submitted to the Nunavut Water Board (NWB). The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Baffinland's Type B license was recently renewed in April 2011 and assigned licence 2BB-MRY1114; Part G(2) of this licence stipulates the following:

The Licensee shall provide a report, to be approved by the Board, within ninety (90) days of issuance of the licence, appropriately qualified by an Engineer registered in Nunavut, which clearly details that the requirements of the CCME guidance document "Aboveground Storage Tank Systems for Petroleum and Allied Petroleum Products (2003)" have been met by the Licensee."

In response to this condition, Baffinland submitted a Code Compliance Report to the Nunavut Water Board (NWB) in July 2011 to demonstrate its petroleum storage facilities at the Mary River mine site and Milne Inlet are compliant with Canadian Council of Ministers of the Environment *Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products* (CCME Code of Practice). The Board circulated the Code Compliance Report for stakeholder review to comment on whether Baffinland's fuel storage tank systems comply with CCME Code of Practice. Upon review of the Compliance Report, EC does not believe that Baffinland has clearly detailed that their storage tank systems meet the requirements of the CCME Code of Practice. In particular, only *Part 7 – Upgrading of Existing Storage Tank Systems* was considered in detail, though it is unclear if the system is in fact being upgraded. Other relevant parts of the CCME Code of Practice were not considered in detail (e.g. Parts 3, 5, 6 and 8).

Notwithstanding the foregoing, EC is of the understanding that the above licence condition was included in the current and former Type B licences related to this site to respect advice EC provided in June 2007 in response to Baffinland's Mary River Bulk Sampling Project¹.

¹ Letter from Environment Canada (C. Parker) to Nunavut Water Board (P. Beaulieu). June 8, 2007

Unfortunately, when the CCME Code of Practice was compiled, no consideration was made for fuel bladders; therefore, the Code does not provide any standards for fuel bladder construction, installation, operation or maintenance. Since that time, EC issued the Technical Guidance Document (TGD), *Technical Requirements for Collapsible Fabric Storage Tanks (Bladders)* in December 2009. The guidance document has been included for your records. As a best practice, in future iterations of determining compliance with the CCME Code of Practice, EC recommends this TGD be consulted in tandem with the Code and Baffinland aim to achieve the standards outlined therein.

If you have any questions related to the foregoing, please do not hesitate to contact me by phone at (867) 975-4639 or email at Allison.Dunn@ec.gc.ca.

Yours truly,

A handwritten signature in blue ink, appearing to read "Allison D", followed by a long horizontal line.

Allison Dunn
Sr. Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment-North, EPO, EC, Yellowknife, NT)
Aaron Dornan (Waste Reduction and Management Division, ESB, EC, Ottawa, ON)
Christian Marcoux (Enforcement Branch, EC, Yellowknife, NT)