



June 24, 2020

Kelli Gillard
Manager Project Monitoring
Nunavut Impact Review Board

Solomon Amuno
Technical Advisor II
Nunavut Impact Review Board

Re: NIRB Update Regarding Operations and Monitoring for the 2020-21 Annual Monitoring Year

Dear Kelli and Solomon,

Baffinland Iron Mines Corporation (Baffinland, the Company) would like to thank the Nunavut Impact Review Board (NIRB) for its letter dated May 7, 2020 "*NIRB Update Regarding Operations and Monitoring for the 2020-21 Annual Monitoring Year*", identifying that all Proponents with project certificates are to continue with monitoring programs and associated reporting prescribed through the various terms and conditions.

In order to meet NIRB's expectations, the Company seeks flexibility from the NIRB as it develops alternative plans for meeting the overall intent of the various Project Certificate (PC) Terms and Conditions. Baffinland's approach is consistent with the letter dated April 2, 2020, sent to the Business Council of Canada by the President of the Treasury Board (the Treasury Board), the Honourable Jean-Yves Duclos, on behalf of various federal agencies (Attachment 1). In this letter, the Government of Canada recognizes that businesses may face challenges in complying with a range of federal regulations, but that "*a common sense approach, balanced against risk will be needed*" and that "*there may be instances where flexibility in this area will be required*". Similarly, the Honourable Jonathan Wilkinson, Minister of Environment and Climate Change Canada (ECCC), also responded to the Treasury Board indicating the expectations of ECCC, and highlighting that "*departmental officials will exercise enforcement discretion to take into account any challenges that regulated parties may face as a result of the current pandemic*" and for "*regulated parties to act responsibly in order to minimize the effects and duration of any non-compliance caused by COVID-19*" (Attachment 2). Specifically, ECCC requests that "*to the extent possible, regulated parties should document the nature and dates of non-compliance, how COVID-19 contributed to the non-compliance, and the actions taken to prevent or minimize any risk to human health and the environment*".

In keeping with the above Baffinland intends to make best efforts to meet all regulatory requirements, develop alternative methods for achieving compliance if necessary, and if relevant, documenting and reporting on any circumstances where compliance could not be fully achieved as a result of barriers stemming from impacts associated with COVID-19.

Terms and Conditions

For Baffinland, COVID-19 has presented various challenges (e.g., logistical, financial, social, health and safety) that may hinder and/or delay Baffinland’s ability to implement some of the Terms and Conditions within Project Certificate No. 005 (the Project Certificate). Table 1 provides a summary of a number of specific Terms and Conditions most likely to be impacted. Specific challenges related to obtaining permits and licenses experienced to date are discussed in subsequent section.

Table 1

Term and Condition	Barrier to Implementation	Alternative Proposed
15	Typically addressed through in-person meetings with community members.	See Community Engagement Update Below
27	Information would be typically obtained during in-person meetings with community members.	See Community Engagement Update Below
35	<p>Funding decision through the Northern Contaminants Program which includes collaboration with multiple parties including the GN, Baffinland and Lead Investigator has been stalled.</p> <p>GN has cancelled and/or suspended upon further review all research programs in response to COVID-19, including GN-led research programs.</p> <p>Effective engagement and training sessions with the Mittimatalik Trappers Organizations (MHTO) on tissue sampling protocol and provision of sampling kits would require in-person gatherings led by Lead Investigator that resides outside of Nunavut.</p> <p>Wildlife Research Permits have been cancelled and/or postponed indefinitely, though potential for case by case reconsideration if specific conditions can be met (e.g., community transmissions prevention measures and support by MHTO).</p>	<p>Training may potentially be conducted by a local GN wildlife biologist provided small gatherings (5 or less) can continue to occur in Pond Inlet over the coming months and that the GN is provided approval to resume research given their important role in this collaboration.</p> <p>Further discussion with all parties including the MHTO is required and the consideration for delaying activities until late 2020 or early 2021 pending outcome of above.</p>
48a	Would have otherwise been managed through in-person meeting with the MHTO.	See Community Engagement Update Below

Term and Condition	Barrier to Implementation	Alternative Proposed
63	Would have otherwise been managed through in-person meeting with the MHTO.	Engagement will continue to occur through the TEWG.
89	Salinity and temperature testing by Port-based Environmental Monitor requires onboarding to vessels. Prior to any boarding being considered and accepted by shipping companies, health and safety protocols to be approved by all affected parties to eliminate risk to all personnel (i.e., mine, port and ship crew personnel). Based on results of most recent risk assessment, entry to ore carriers will be restricted to the Port Management team and implementation of strict health and safety protocols aimed at limiting transmission of COVID-19. These protocols may change pending outcomes of future risk assessments.	Vessel captains will continue to follow all existing regulatory requirements for ballast water, including testing salinity prior to receiving entry to Canada's EEZ from Transport Canada. Baffinland's Shipping Department representative will review all forms submitted to Transport Canada prior to approving release of ballast water at Milne Port. As part of the ship-shore personnel interface risk evaluation completed by the Shipping Department, currently only the Port Captain will be given permission to board ore carriers to test for ballast water. The Port Captain will take all necessary ballast water samples from ore carriers prior to discharge.
101c	Nunavummiut cannot be involved in any environmental monitoring being implemented at the Mary River Project at this time. The Government of Nunavut has in place travel restrictions related to the ongoing COVID-19 Pandemic and requires that there be no contact between mining projects and Nunavut communities due to the possible risk of infection. These measures were put in place to protect Nunavut communities that have limited or no medical centres, hospitals and resources to respond if there is a COVID-19 outbreak. Once applicable travel restrictions are lifted, Baffinland will continue to review and reassess the COVID-19 risks and the decision to involve community members and the return of Nunavummiut employees to work will be based on the continued effectiveness of our preventative measures and in cooperation with the Nunavut Department of Health.	<p>Baffinland will continue to share information and seek feedback regarding environmental monitoring program design and results through other means.</p> <p>Through Article 17.8.2 of the Mary River Project Inuit Impact and Benefit Agreement between Baffinland and the Qikiqtani Inuit Association, Baffinland contributes \$200,000 per year towards a community-driven Wildlife Monitoring Program in Pond Inlet. Funds are made available on a yearly basis to address specific research interests of the community of Pond Inlet. These funds remain in place and the community can undertake monitoring initiatives as they see fit based on their needs.</p> <p>Baffinland will continue to discuss with the MHTO the possibility for exploring other means by which community members may contribute to environmental monitoring.</p>

Term and Condition	Barrier to Implementation	Alternative Proposed
		Also see Community Engagement Update below.
106	Implementation of this condition requires onboarding of several Marine Wildlife Observers. For health and safety reasons operators are implementing strict onboarding policies to limit the transmission of COVID-19 that are unfeasible for external parties. Accordingly, only essential crew required to operate the vessel will be allowed to board the MSV Botnica.	Exploring implementation of an incidental marine mammal watching program that has been previously implemented by Fednav in collaboration with Marine Mammal Observation Network (MMON). Updates to the NIRB and MEWG on potential alternative will be provided in advance of the start of the shipping season (i.e., before mid-July 2020).
123	Implementation of this condition requires onboarding of several Marine Wildlife Observers. For health and safety reasons operators are implementing strict onboarding policies to limit the transmission of COVID-19 that are unfeasible for external parties. Accordingly, only essential crew required to operate the vessel will be allowed to board the MSV Botnica.	Exploring implementation of an incidental marine mammal watching program that has been previously implemented by Fednav in collaboration with Marine Mammal Observation Network (MMON). Updates to the NIRB and MEWG on potential alternative will be provided in advance of the start of the shipping season (i.e., before mid-July 2020).
126	Nunavummiut cannot be involved in any environmental monitoring being implemented at the Mary River Project at this time. The Government of Nunavut has in place travel restrictions related to the ongoing COVID-19 Pandemic and requires that there be no contact between mining projects and Nunavut communities due to the possible risk of infection. These measures were put in place to protect Nunavut communities that have limited or no medical centres, hospitals and resources to respond if there is a COVID-19 outbreak. Once applicable travel restrictions are lifted, Baffinland will continue to review and reassess the COVID-19 risks and the decision to involve community members and the return of Nunavummiut employees to work will be based on the continued effectiveness of our preventative	<p>Baffinland will continue to share information and seek feedback regarding environmental monitoring program design and results.</p> <p>Through Article 17.8.2 of the Mary River Project Inuit Impact and Benefit Agreement between Baffinland and the Qikiqtani Inuit Association, Baffinland contributes \$200,000 per year towards a community-driven Wildlife Monitoring Program in Pond Inlet. Funds are made available on a yearly basis to address specific research interests of the community of Pond Inlet.</p> <p>Currently exploring the potential to provide funding to Inuit hunters from Pond Inlet to complete marine mammal observations from the floe edge prior to start of spring aerial surveys in collaboration with the MHTO, provided it can be implemented safely.</p>

Term and Condition	Barrier to Implementation	Alternative Proposed
	measures and in cooperation with the Nunavut Department of Health.	See Community Engagement Update below.
129	At present, GN has provided notice that Qikiqtaaluk Socio-Economic Monitoring Committee meetings have been postponed for the remainder of 2020.	Baffinland will continue to hold Socio-economic Environment Working Group SEMWG meetings by teleconference in 2020.
132	All in-person training initiatives have been postponed indefinitely due to travel restrictions.	See Community Engagement Update below.
133	No Nunavummiut employees are currently on site. Potential access limitations to technology could influence ability to participate in online employee survey.	See Community Engagement Update below.
135	All in-person training initiatives have been postponed indefinitely due to travel restrictions. No Nunavummiut are currently on site. Potential access limitations to technology could influence ability to participate in online training programs	See Community Engagement Update below.
136	All in-person training initiatives have been postponed indefinitely due to travel restrictions.	See Community Engagement Update below.
138	All in-person training initiatives have been postponed indefinitely due to travel restrictions. Potential access limitations to technology could influence ability to participate in online training programs	See Community Engagement Update below.
140	No Nunavummiut employees are currently on site. Until such a time that Nunavummiut employees are allowed to come to Mary River, no hiring of additional Inuit employees will occur.	See Community Engagement Update below.
141	All in-person training initiatives have been postponed indefinitely due to travel restrictions.	See Community Engagement Update below.

Term and Condition	Barrier to Implementation	Alternative Proposed
	Potential access limitations to technology could influence ability to participate in online training programs	
142	No Nunavummiut employees are currently on site.	N/A
156	No Nunavummiut employees are currently on site.	N/A
162	Typically addressed through in-person meetings with community members.	Baffinland will continue to share information and seek feedback regarding environmental monitoring program design and results. See Community Engagement Update below.
163	Typically addressed through in-person meetings with community members.	See Community Engagement Update below.

Issuance of Licenses and Permits

NRI Research License and GN Wildlife Permit

Baffinland also wishes to note that as a result of COVID-19, the Company has had and/or continues to face challenges in obtaining permits and licenses for completion of environmental monitoring programs, including the Nunavut Research Institute (NRI) Scientific Research Licence renewal and Government of Nunavut Wildlife Research Permit, which are required under Project Certificate No. 005. These challenges stem from a combination of issues dating back to December 2019 with the GN ransomware attack (pre-COVID-19) and/or more recent events associated with COVID-19, and includes, though not exclusively, office closures, computer file access, reduced staff, cancellation or postponing and/or re-assessment of research in Nunavut, and/or additional documentation requests not previously needed under normal circumstances.

Baffinland submitted a Scientific Research Licence renewal application for 2020 in December 2019 to the NRI. However, the NRI had provided a general update on its website on March 19, 2020 stating that its administrative capacity was reduced and that additional time was required to complete community consultation and secure regulatory approvals and screenings for research projects. In response to Baffinland’s recent inquiries for a status update on the licence renewal, the NRI responded to Baffinland on June 8, 2020, requesting that Baffinland resubmit to the NRI all relevant NRI Scientific Research Licence application documents that were previously provided in December 2019 and again in February 2020. As of June 23, 2020, Baffinland still awaits a decision on this application resubmission. Both the QIA and NTI have been engaged for comment on the renewal application by the NRI, and Baffinland has also engaged these parties in an effort to expedite review of the materials and feedback to the NRI.

The GN’s permit delivery procedures also recently changed in direct response to the COVID-19 pandemic, resulting in permits issued prior to implementation of COVID-19 prevention measures to be cancelled, and/or for permit applications to be stalled until further considerations can be made on a case by case basis. Implementation of Baffinland’s terrestrial program components received the appropriate Wildlife

Research Permit approval on March 20, 2020 which was then cancelled following the COVID-19 response. In order for the GN to reconsider issuing a permit, the applicant needs to also demonstrate that there is no concern for transmission of COVID-19 to communities during research implementation and includes a review by the GN's Department of Health, in addition to the GN's Department of Environment with respect to proposed research. The GN also now requests that letters of support from the relevant Hunters and Trappers Organization (HTO) be obtained by applicants before a GN Wildlife Research Permit may be granted and/or reissued which was a new requirement previously not communicated. Baffinland in response to GN's request provided the Mittimatalik Hunter and Trappers Organization (MHTO) with information to review while considering the provision of a letter of support on May 15, 2020. Baffinland notes this support had never previously been requested by the GN and Baffinland is not aware of the extent to which HTOs confirmed they have capacity to review relevant documentation in the timeframe needed to secure the permits. Overall, this placed an additional burden on the Company to adhere to Terms and Conditions of approved Projects and on HTOs. Baffinland received a letter of support by the MHTO on June 22, 2020 and this was shared with the GN Department of Environment the same day. Following receipt of the letter, the GN issued a Wildlife Research Permit for the terrestrial monitoring program components on June 23, 2020. This additional process presented additional logistical and planning challenges and delayed the start of several scheduled monitoring program components (i.e., Arctic raptors monitoring). While fieldwork planning and execution can now recommence from a permitting perspective, it is likely that logistical/resourcing constraints will continue due to additional COVID-19 measures implemented at Mary River (e.g., limited flights [only every 2 weeks and from distinct flight hubs] to and from Mary River to limit risk of transmission).

License to Fish for Scientific Purposes/Animal Use Permit

Fisheries and Oceans Canada (DFO) does typically require a letter from the appropriate local renewable resource organization (Hunters and Trappers Organization(s)/Association(s)/Committee(s) or Renewable Resource Council(s)) indicating support for the project prior to issuance of a License to Fish for Scientific Purposes and the associated Animal Use Permit. However, the need for letters of support has not consistently been requested as part of previous applications tied to the Mary River Project given the recurring annual monitoring requirements related to Fisheries Authorizations. DFO may also request supporting documentation briefly describing meetings/consultation and post-season communication plans be submitted as part of application process.

As indicated above, obtaining letters of support from HTOs is challenging, particularly during a pandemic, which may result in further delays to completing work during biologically-relevant timing windows and/or prevent applicants from receiving the licenses in time to complete the work as planned. DFO recently considered these challenges during review of recent license applications related to Baffinland monitoring efforts, and accordingly issued a licence for completion of time-sensitive work. Other applications are under review and these relevant letters of support will be provided as part of application documents.

Overall Risk to Monitoring Programs from Permit Delays

Failure to obtain these licenses and permits in a timely fashion was identified as a risk to Baffinland being able to complete the following monitoring programs in 2020:

- Vegetation monitoring (NRI, GN Wildlife Research Permit)
 - Terms and Conditions: 34, 36, 38, 50

2275 Upper Middle Road East, Suite 300 | Oakville, ON, Canada L6H 0C3
Main: 416.364.8820 | Fax: 416.364.0193 | www.baffinland.com

- Marine Environmental Effects Monitoring Program (NRI, DFO License)
 - Terms and Conditions: 76, 1 and 83, 84, 85, 86, 87, 89, 91, 99a, 99b, 113, 114, 126
- Bruce Head Shore-based Monitoring Program (NRI)
 - Terms and Conditions: 99c, 101g, 109, 111
- Marine Mammal Aerial Survey (NRI)
 - Terms and Conditions: 99, 101, 109, 111, 126
- Underwater Passive Acoustic Monitoring Program (NRI)
 - Terms and Conditions: 109, 110, 112
- Bird Monitoring (NRI, GN Wildlife Research Permit) – work delayed by 2 weeks
 - Terms and Conditions: 50, 73, 74
- Noise, Air Quality and Climate Monitoring (NRI)
 - Terms and Conditions: 6, 7, 8, 9, 14, 14 (b)
- Freshwater Environment Monitoring (NRI, DFO License)
 - Terms and Conditions: 20, 21, 23, 24, 46
- Geotechnical Inspections (NRI)
 - Term and Condition: 28

Should delays in approvals continue to be encountered for licenses not yet issued (e.g., NRI) resulting in program components being cancelled and/or further delayed, Baffinland’s ability to achieve compliance with a number of Terms and Conditions listed above may be compromised.

Community Engagement Update

Baffinland notes that several of the Terms and Conditions contained within the Project Certificate require ongoing community engagement. Since the start of the COVID-19 pandemic, Baffinland has been investigating alternate means to conduct community engagements. A list of some of the annual engagement activities that would have typically been carried out in-person but are now subject to alternative methods are listed in Table 2.

Table 2

#	Activity	Alternative Format
1	BIM Pre-Shipping Season Meeting	Baffinland is developing an information package for the MHTO and Hamlet to provide details about the 2020 Shipping Season and will engage via teleconference with each organization as requested. To update the public on the 2020 Shipping Season Baffinland will be conducting community radio shows. Baffinland will also further encourage any questions from members of the public be sent to shipping@baffinland.com where a response will be provided in a timely manner.
2	Monitoring Program Engagement (Terrestrial, Marine and Freshwater)	Baffinland developed an information package for the MHTO and Hamlet to provide details about the 2020 Monitoring Programs and will engage via teleconference with each organization as requested.

#	Activity	Alternative Format
6	Employment Community Tour	<p>The Company is exploring alternative digital and virtual formats to share information with North Baffin residents about career and training opportunities at the Mary River Project.</p> <p>Engagement with North Baffin Community representatives and the Qikiqtani Inuit Association on these potential alternatives has yet to take place and as such it is premature to provide further detail.</p>
7	Procurement and Contracting Tour	<p>The Company is exploring alternative digital and virtual formats to share information with North Baffin residents, entrepreneurs and businesses about procurement and contracting opportunities at the Mary River Project</p> <p>Engagement with North Baffin Community representatives and the Qikiqtani Inuit Association on these potential alternatives has yet to take place and as such it is premature to provide further detail.</p>
11	Working Group Meetings (MEWG/TEWG/QSEMC/MRSEWG)	<p>A meeting of the Mary River Socio-Economic Monitoring Working Group is tentatively scheduled for June 24, 2020 via teleconference.</p> <p>Baffinland is in active discussions with the Government of Nunavut to explore alternatives to an in person format to allow for the holding of a Qikiqtaaluk Socio-Economic Monitoring Committee meeting in 2020.</p> <p>A meeting of the Terrestrial Environment Working Group is scheduled for June 24, 2020 via teleconference.</p> <p>A meeting of the Marine Environment Working Group is scheduled for June 25, 2020 via teleconference.</p>
12	Exploration Engagement re: Ege Bay	<p>Correspondence will be sent providing written updates to the Hamlet Governments and Hunter and Trapper Organizations in Igloolik and Sanirajak to provide necessary updates.</p>
13	Community Tour-Operations	<p>The Company is exploring alternative digital and virtual formats to share information with North Baffin residents about ongoing operations at the Mary River Project.</p> <p>Engagement with North Baffin Community representatives and the Qikiqtani Inuit Association on these potential alternatives has yet to take place and as such it is premature to provide further detail.</p>

#	Activity	Alternative Format
14	Community Tour- Phase 2	<p>The Company is exploring alternative digital and virtual formats to share information with North Baffin residents about the Phase 2 Project Proposal and on-going environmental assessment.</p> <p>Engagement with North Baffin Community representatives and the Qikiqtani Inuit Association on these potential alternatives has yet to take place and as such it is premature to provide further detail.</p>

It is Baffinland’s intention to propose the alternatives outlined above with communities and other stakeholders in the near future to verify our approach before implementation. The list above is therefore considered preliminary and as Baffinland develops solutions further these will be shared with the NIRB through annual reporting.

All proposed alternative formats will be continuously reassessed as additional Public Health guidance from the GN is released.

Data Analysis and Reporting

Baffinland also expects delays during shipping of equipment needed for field program implementation (and relevant procurement processes) and samples to analytical laboratories due to COVID-19 constraints imposed on courier/cargo transport companies. Delays in sample processing and analysis are also likely to occur in the coming months after samples are sent to analytical laboratories because of backlogs associated with temporary laboratory closures, and/or reduced workforce. Accordingly, Baffinland may not be able to report on the results of monitoring programs in the same timeframe as would typically be done. Baffinland will continue to engage regulatory agencies, and the NIRB, as timelines for reporting are impacted over the coming months.

Regulatory Agency Site Visits

At present Baffinland has not received notification from government agencies that regularly scheduled site visits will occur in 2020. Baffinland has been in correspondence with some agencies to identify alternate methods for information sharing and compliance monitoring. Should the NIRB wish to explore alternate methods for conducting its Annual Summer Site Visit, Baffinland would be happy to discuss this further. Baffinland also wishes to confirm that ongoing efforts to address previous NIRB Site Visit recommendations will continue throughout 2020.

Conclusion

Baffinland has provided the above summary to highlight to the NIRB and other interested parties some of the challenges the Company is encountering with respect to achieving compliance with the Project Certificate in 2020 as a result of COVID-19. Baffinland will continue sharing information with the NIRB and other agencies with respect to the challenges faced in light of the COVID-19 pandemic as it becomes available.

Baffinland looks forward to receiving updated guidance from the NIRB and other regulators with respect to its intended 2020 monitoring efforts to ensure fair process. Any additional or modified criteria that will be considered in determining compliance with Project Certificates by the NIRB for the 2020 year would be greatly appreciated. Should you have any questions, please do not hesitate to contact the undersigned.

Regards,

A handwritten signature in black ink, appearing to be "Lou Kamermans".

Lou Kamermans
Senior Director, Sustainable Development
Baffinland Iron Mines Corporation

- cc. Christopher Murray, Environmental and Compliance Regulatory Manager
Andrew Moore, Manager - Government Relations and Public Affairs
Genevieve Morinville, Manager - Environmental, Social and Governance
Emma Malcolm, Sustainability Specialist
Connor Devereaux, Environmental Superintendent
Aaron MacDonell, Environmental Superintendent

Attachment 1

President
of the Treasury Board



Président
du Conseil du Trésor

Ottawa, Canada K1A 0R5

APR 02 2020

Mr. John Dillon
Senior VP
Policy and Corporate Counsel of the Business Council of Canada

john.dillon@thebusinesscouncil.ca

Dear Mr. Dillon:

Thank you for your letter, on behalf of various industry associations, on March 20, 2020, regarding federal, provincial and territorial regulatory compliance challenges presented by COVID-19.

To start, I want to thank the industry associations and their members for their attention and commitment to the new protocols put in place to keep employees, our communities, and Canadians healthy during the outbreak of COVID-19. I recognize that the prioritization of the public health response has posed significant challenges to achieving regulatory compliance during this time.

The Government of Canada is taking immediate, significant and decisive action to help Canadians and Canadian businesses facing hardship as a result of the outbreak. All of us are working diligently to respond to the public health crisis and uphold Canada's economy in a comprehensive and collaborative manner.

Recognizing the challenges that businesses will face in complying with a range of federal regulations, a common sense approach, balanced against risk will be needed. For example, business employees may not be able to report to work to carry out, among other duties, certain compliance activities. And, while the Government of Canada's goal is always a consistent approach in the application of regulations to achieve the desired outcomes, there may be instances where flexibility in this area will be required.

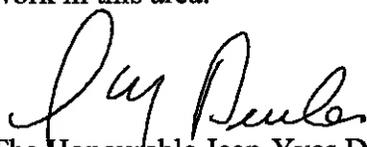
To address regulatory challenges, TBS is asking that federal departments and agencies consider demonstrating flexibility in developing, applying, and enforcing regulations, within their specific contexts, in consideration of the risk to the health, safety and security of Canadians and the environment. As departments and agencies are accountable for regulations within their respective areas, they are working to find opportunities where, based on risk, regulatory enforcement could be adjusted in consideration of circumstances, under their existing legal or regulatory frameworks.

Canada

In considering flexibility, TBS is also encouraging departments and agencies to coordinate with their provincial and territorial counterparts, as well as horizontally with other regulators. We remain committed to providing transparent and timely communication to stakeholders during this time. Departments and agencies will continue to actively convey information to industry stakeholders as we collectively progress through this work.

Our government continues to listen to business leaders to ensure we are helping businesses and entrepreneurs through this extraordinary time.

Thank you again for bringing these regulatory challenges to my attention and for your continued work in this area.



The Honourable Jean-Yves Duclos, P.C., M.P.
President of the Treasury Board

Cc:

The Hon. Travis Toews, President of Treasury Board and Minister of Finance
The Hon. Carole James, Minister of Finance and Deputy Premier
The Hon. Scott Fielding, Minister of Finance
The Hon. Ernie Steeves, Minister of Finance and Treasury Board
The Hon. Karen Lynn Casey, Minister of Finance
The Hon. Tom Osborn, Minister of Finance and President of Treasury Board
The Hon. George Hicks, Minister of Finance and Chairman of the Financial Management Board
The Hon. Caroline Wawzonek, Minister of Finance
The Hon. Peter Bethlenfalvy, President of the Treasury Board
The Hon. Darlene Compton, Minister of Finance
The Hon. Christian Dube, Minister Responsible for Government Administration
The Hon. Donna Harpaeur, Minister of Finance
Premier Sandy Silver, Minister of Finance
The Hon. Seamus O'Regan, Minister of Natural Resources
The Hon. Navdeep Bains, Minister of Innovation, Science and Industry
The Hon. Jonathan Wilkinson, Minister of Environment and Climate Change
The Hon. Patty Hajdu, Minister of Health
The Hon. Marie-Claude Bibeau, Minister of Agriculture and Agri-Food
The Hon. Marc Garneau, Minister of Transport
The Hon. Bill Morneau, Minister of Finance
The Hon. Mary Ng, Minister of Small Business, Export Promotion and International Trade
The Hon. David Lametti, Minister of Justice and Attorney General of Canada

Attachment 2



APR - 2 2020

Mr. John Dillon
Senior Vice President, Policy and Corporate Counsel
Business Council of Canada
99 Bank Street, Suite 1001
Ottawa ON K1P 6B9

Dear Mr. Dillon:

I am writing to you today with regard to your letter of March 20, 2020, addressed to the Honourable Jean-Yves Duclos, President of the Treasury Board, concerning federal, provincial and territorial regulatory compliance challenges presented by COVID-19.

The Government of Canada recognizes that Canadians and all businesses operating across Canada are facing extraordinary circumstances during the COVID-19 pandemic. Staff may be sick, or unable to work from home, travel restrictions across provincial borders may be disrupting operations, and labs may not be available to take samples or provide analysis. All of this has an enormous impact on businesses across the country.

Our top concern remains the health and safety of all Canadians. At Environment and Climate Change Canada, that includes our important mandate to protect the environment and human health. I share your concern for a concerted public- and private-sector approach that gives priority to protecting human health and preventing the spread of the virus by following the directions as set out by public health authorities.

During the global COVID-19 outbreak, the federal government is taking aggressive action to protect the economy, and the health, safety and jobs of all Canadians. As part of Government of Canada's COVID-19 Economic Response Plan, it will provide up to \$27 billion in direct support to Canadian workers and businesses, as well as \$55 billion to meet the liquidity needs of Canadian businesses and households through tax deferrals to help stabilize the economy.

.../2



In addition, the Government of Canada will provide a 75-percent wage subsidy for qualifying businesses for up to three months, retroactive to March 15, 2020. This will help them to retain and return workers to the payroll.

Throughout this outbreak, Environment and Climate Change Canada will continue to work on many important initiatives that protect the environment and promote clean economic growth while recognizing that Canadian businesses are facing extraordinary circumstances at this time.

Environment and Climate Change Canada's long-standing policy is to respond to violations in a fair, predictable and consistent manner. While the Department's laws remain in effect and cannot be waived, I want to assure you that departmental officials will exercise enforcement discretion to take into account any challenges that regulated parties may face as a result of the current pandemic.

I expect regulated parties to act responsibly in order to minimize the effects and duration of any non-compliance caused by COVID-19. To the extent possible, regulated parties should document the nature and dates of non-compliance, how COVID-19 contributed to the non-compliance, and the actions taken to prevent or minimize any risk to human health and the environment. This includes steps taken to come into compliance at the earliest opportunity. As well, I would like to remind the Business Council of Canada's member companies of the ongoing importance of complying with all obligations to notify public authorities about unauthorized releases of pollutants, particularly where those incidents may cause a risk to human health or the environment.

Before taking enforcement action, Environment and Climate Change Canada will continue to consider, on a case-by-case basis, any damage to the environment, any other aggravating factors and all reasonable measures taken by an individual or company to mitigate and to comply.

The Government of Canada understands that some sectors have been disproportionately impacted by the COVID-19 pandemic. The Government will continue to carefully monitor all developments and take further action in the near term. The federal government will also continue to take action to ensure all Canadians and businesses get the support they need to weather this crisis and emerge stronger than ever before.

I trust that this information is helpful. Please accept my best regards.

Sincerely,



The Honourable Jonathan Wilkinson, P.C., M.P.

c.c.: The Honourable Jean-Yves Duclos, P.C., M.P.

Mr. Pierre Gratton, President and Chief Executive Officer, Mining Association of Canada

Mr. Derek Nighbor, President and Chief Executive Officer, Forest Products of Canada

Mr. Bob Masterson, President and Chief Executive Officer, Chemistry Association of Canada

Mr. Michael McSweeney, President and Chief Executive Officer, Cement Association of Canada

Mr. John Gorman, President and Chief Executive Officer, Canadian Nuclear Association

Mr. Francis Bradley, President and Chief Executive Officer, Canadian Electricity Association

Mr. Jean Simard, President and Chief Executive Officer, Aluminum Association of Canada

Mr. Scott Banda, Chief Executive Officer, Federated Co-operatives Limited

Mr. Garth Whyte, President and Chief Executive Officer, Fertilizer Canada

Mr. Timothy M. Egan, President and Chief Executive Officer, Canadian Gas Association

Ms. Cathy Campbell, President, Responsible Distribution Canada

Ms. Catherine Cobden, President, Canadian Steel Producers Association

Mr. Greg D'Avignon, President and Chief Executive Officer, Business Council of British Columbia

Mr. David C. Adams, President and Chief Executive Officer, Global Automakers of Canada

Mr. Dennis Darby, President and Chief Executive Officer, Canadian Manufacturers and Exporters

Mr. Peter Boag, President and Chief Executive Officer, Canadian Fuels Association

Mr. Mark A. Nantais, President, Canadian Vehicle Manufacturers' Association

Mr. Chris Bloomer, President and Chief Executive Officer, Canadian Energy Pipeline Association

Mr. Gary Leroux, President and Chief Executive Officer, Canadian Paint and Coatings Association

Mr. Tim McMillan, President and Chief Executive Officer, Canadian Association of Petroleum Producers