



Pacific and Yukon Region
757 West Hastings Street
Suite 210A
Vancouver BC V6C 3M2

Région du Pacifique et du Yukon
757 rue Hastings Ouest
bureau 210A
Vancouver (C-B) V6C 3M2

Agency File No: 005723

May 27, 2020

ELECTRONIC MAIL

Tim Davis
Water Quality Division Administrator
State of Montana
1520 East Sixth Avenue
Helena, Montana
United States of America
59601-4541
EMAIL: timdavis@mt.gov

Dear Tim Davis:

Subject: Designation Request for the Proposed Castle Project

On May 21, 2020, the Honourable Jonathan Wilkinson, P.C., M.P., Canada's Minister of Environment and Climate Change received a request under subsection 9(1) of Canada's *Impact Assessment Act* (the Act) to designate the Castle Project (the Project) proposed by Teck Coal Limited. The request was made by the Confederated Salish and Kootenai Tribal Council and the Kootenai Tribe of Idaho. The letter requesting designation and a description of the Project have been posted to the publicly available Canadian Impact Assessment Registry internet site, found at Canada.ca/iaac (Reference 80702).

The Proposed Project

The Project would be located near Elkford, in southeastern British Columbia, Canada and would expand the existing Fording River Operations metallurgical coal mine. The Project would maintain the existing production capacity of 27 400 tonnes per day, and would increase the area of mine operations by 35.7 percent. The Project as proposed is not described in the *Physical Activities Regulations* under the Act.

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Designation Request

Under subsection 9(1) of the Act the Minister may, by order, designate a physical activity that is not described in the *Physical Activities Regulations* under the Act. The Minister can do this, if, in the Minister's opinion, the physical activity may cause adverse effects within federal jurisdiction or adverse direct or incidental effects (resulting from a federal decision), or public concerns related to those effects warrant the designation.

To support the Minister in considering the request, the Impact Assessment Agency of Canada will review:

- information about the Project;
- any concerns expressed by the State of Montana;
- views of the requesters, Indigenous groups, and the public;
- expert advice from federal authorities;
- input from provincial ministries; and
- input from other key stakeholders such as the United States Environmental Protection Agency.

We anticipate that the Minister's determination on whether the Project is to be designated, with reasons, will be posted to the Registry by August 19, 2020.

If designated, Teck Coal Limited would be required to submit formally an Initial Project Description to the Agency, thereby commencing the planning phase of the Act. In that case, the planning phase would include the Agency determining whether a federal impact assessment is required. Should the Project be designated, the Agency will contact you to discuss further steps under the Act.

Additional information regarding the process for designation requests is available on the Agency's website at www.canada.ca/en/impact-assessment-agency/services/policy-guidance/designating-project-impact-assessment-act.html.

Seeking Input

The Agency will prepare advice to the Minister on whether the Project should be designated. Consistent with the Agency's guidance on designating projects (link above), when advising and assisting the Minister on the use of their authority to designate projects, the Agency requests input from other jurisdictions. Please email your submission to the Agency by June 16, 2020, using the contact information provided below. Please note that all comments received will be posted on the public Registry.

Important Note: All records produced, collected or received in relation to the designation request process – unless prohibited under Canada’s *Access to Information Act* or *Privacy Act* – are considered public and may be released. If you have provided any comments or documents that contain confidential or sensitive information that you believe should be protected from release to the public, please contact the Agency as soon as possible. The Agency does not accept information marked as confidential without prior contact.

If you have any questions regarding the Project and the contents of this letter, please contact Mr. Fraser Ross, Project Manager with the Agency at (+1) 604-562-5665 or at IAAC.Castle.AEIC@canada.ca.

In closing, I acknowledge that given the circumstances concerning the novel coronavirus (COVID-19) pandemic, these may be very challenging times for your organization. We appreciate your consideration of our request at this time, and it is our hope that you, your family, and your colleagues are healthy and safe.

Sincerely,

<Original signed by>

Regina Wright
Regional Director
Pacific and Yukon

c.c.: Myla Kelly, Montana Department of Environmental Quality