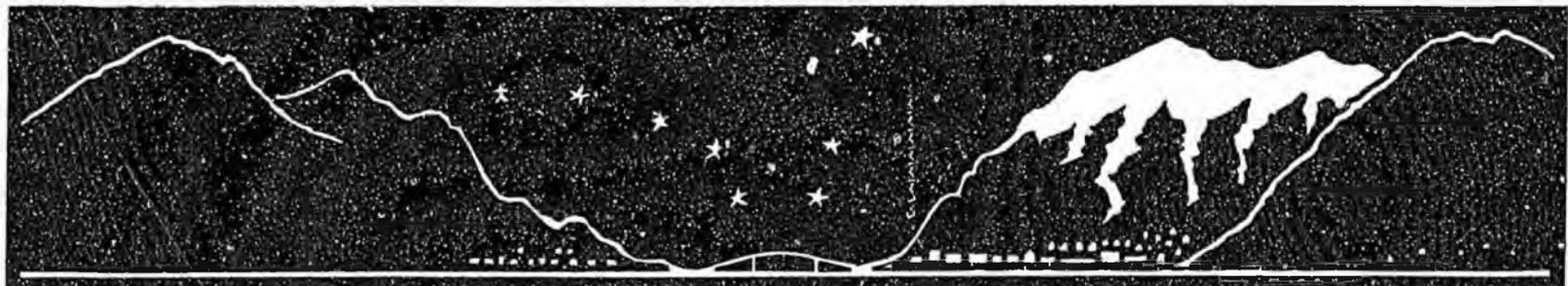
HCR

4



ALASKANS FOR JUNEAU

Dedicated to Clean, Healthy Economic Diversity in the Capital City

March 27, 1999

The Honorable Scott Ogan, Chairman
House Resources Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Chairman Ogan,

Thank you for your interest in the Alaska Supreme Court decision clarifying the legal opinion that phased permitting is unlawful. I am enclosing a copy of the decision, as you requested.

As you may recall, I mentioned this ruling in my testimony yesterday before the House Resources Committee considering HCR 4 on the Tulsequah Chief Mine. The court, in *Thane Neighborhood Association v. City and Borough of Juneau*, September 6, 1996, determined that permitting the Alaska-Juneau Gold Mine in a segmented manner was improper. The court concluded:

> "The [City and Borough of Juneau Planning] Commission deferred approval of components of the mine which are interlinked with other components, creating an unacceptable danger that cumulative impacts would not be sufficiently analyzed.... If allowed to use such phasing in response to defects in mining applications, the Commission could grant approval to any permit application no matter how deficient it is, making the Juneau code virtually meaningless and Commission decisions effectively unreviewable."

My purpose in noting the court's decision in my testimony was to suggest that a cautious approach should be taken by the Legislature in supporting the Canadian mine and British Columbia's permitting process which in a similar situation in Alaska was found to be unlawful. I hope the attached opinion is helpful in determining that HCR 4 should not be passed.

Sincerely,

Laurie Ferguson Craig

Laurie Ferguson Craig
Issues Coordinator

enclosure

P.O. Box 22428 Juneau, Alaska 99802 (907) 463-5065 ak4jnu@alaska.net

THE SUPREME COURT OF THE STATE OF ALASKA

THANE NEIGHBORHOOD ASSOCIATION, ALASKANS FOR JUNEAU, Appellants, v. CITY AND BOROUGH OF JUNEAU, Appellee, and ECHO BAY ALASKA, INC.,	)	Supreme Court No. S-6710
	)	Superior Court No. 1JU-93-1609 CI
	)	O P I N I O N
	)	[No. 4395 - September 6, 1996]

THE SUPREME COURT OF THE STATE OF ALASKA

THANE NEIGHBORHOOD ASSOCIATION, ALASKANS FOR JUNEAU, Appellants, v. CITY AND BOROUGH OF JUNEAU, Appellee, and ECHO BAY ALASKA, INC., Intervenor-Appellee.	Supreme Court No. S-6710 Superior Court No. 1JU-93-1609 CI O P I N I O N [No. 4395 - September 6, 1996]

Appeal from the Superior Court of the State of Alaska, First Judicial District, Juneau, Michael A. Thompson, Judge.

Appearances: Eric Smith, Anchorage, for Appellants. John R. Corso, City & Borough Attorney, Juneau, for Appellee City & Borough of Juneau. James F. Clark, Terry L. Thurbon, Robertson, Monagle & Eastaugh, Juneau, for Intervenor-Appellee Echo Bay Alaska.

Before: Compton, Chief Justice, Rabinowitz, Matthews, Eastaugh, Justices, and Carpeneti, Justice, pro tem.

MATTHEWS, Justice. Echo Bay Alaska, Inc., applied to the City and Borough o Juneau in November 1990 for a large mine permit for the AJ Mine. The proposed mine is located four miles from downtown Juneau. The tailings that will result from the processed ore are to be pumped into a tailings pond created by constructing a dam in Sheep Creek Valley. The proposed dam will be 332 feet high and 750 feet long. If the mine goes into production 100 million tons of tailings are expected to be produced and pumped into the pond. The excess water from the tailings pond will be discharged into Gastineau Channel. The discharge from the tailings pond to the channel could be as great as 250 cubic feet per second.
The City and Borough of Juneau Planning Commission

(Commission) approved the application in a notice of decision issued on May 14, 1993. The approval was subject to a set of conditions. The permit was to be issued after a financial warranty was paid and after Echo Bay agreed to the conditions and signed a mitigation agreement. Approval of the tailings dam and impoundment and the discharge of wastewater was withheld until additional information was provided.

Appellants, Thane Neighborhood Association (TNA) and Alaskans for Juneau (AFJ), appealed the Commission's decision to the City and Borough of Juneau Assembly (CBJ) on June 7, 1993. Echo Bay was granted permission to participate as a party. The CBJ heard oral argument on August 30, 1993, and issued a decision denying the appeal on September 22, 1993. TNA and AFJ then appealed to the superior court and Echo Bay was permitted to intervene. On October 26, 1994, the superior court affirmed the decision of the CBJ. In this appeal, the appellants argue that the "CBJ impermissibly used a 'phased' approach in approving" the permit and that the CBJ's finding that issuance of the permit complied with standards set forth in the CBJ mining ordinance is not supported by substantial evidence. In December 1995 CBJ and Echo Bay filed a supplemental brief, and TNA and AFJ filed a response addressing the issue of whether the "Planning Commission [could] assure future compliance with the substantive standards for mining operations . . . by imposing permit conditions requiring future performance rather than by demanding pre-application-approval demonstration of future ability to comply."

THE CODE

The review of large mine permits is governed by the Code of the City and Borough of Juneau (CC&BJ) 49.65 (1989). CC&BJ 49.65.110 provides in part: "It is the purpose of this article to foster the development of a safe, healthy and environmentally sound mining industry while protecting the overall interests of public health, safety and the general welfare and minimizing the environmental and surface effects of mining projects for which an exploration notice or mining permit is required."

The procedure for obtaining a large mine permit is governed by CC&BJ 49.65.130. CC&BJ 49.65.130(b) requires an application for a large mine permit to

> be submitted in the form of a report containing sufficient information so that the department can, after reviewing the application, evaluate, in accordance with the standards of subsection 49.65.135(a), the impacts[(EN1)] described in this subsection that the mining operation may have on the city and borough. The application shall contain a map on a scale of 1:63,360 or a more detailed scale, a description of the mine site and affected surface; a description and timetable of the proposed mining operation, including all roads, buildings, processing and related facilities; a description and timetable of proposed reclamation of affected surface; a description of proposals for the sealing of open shafts, adits and tunnels upon the completion or temporary cessation of mining operations; a description of methods to be used to control, treat, transport and dispose of hazardous substances, sewage and solid waste; and a description of other potential environmental, health, safety and general

> welfare impacts, as well as neighboring property impacts and measures to be taken to mitigate their adverse effects. The application shall also contain additional information normally prepared by the operator for its feasibility studies and mining plans, including information establishing the right to use the affected surface, labor force characteristics and timing, payroll projections, anticipated duration of the mining operation, construction schedules, infrastructure description, and other information reasonably requested by the department in the preapplication conference held pursuant to Section 49.15.330(b). . . .

(Emphasis added.) Likewise, CC&BJ 49.15.130(b), which governs applications for land use permits in general, provides that "[a]n application is complete when it contains all of the information necessary to determine if the development will comply with all of the requirements of the permit applied for."

CC&BJ 49.65.130(f) requires the Community Development Department (Department) to conduct an application review, which

> shall include, but not be limited to, the following determinations: whether air and water quality will be maintained in accordance with federal, state, and city and borough laws, rules and regulations; where sewage, solid waste, hazardous and toxic materials will be properly contained and disposed of in accordance with federal, state, and city and borough laws, rules and regulations; the extent to which the operator will agree to mitigate adverse impacts on the city and borough; whether the mining operation will be conducted in such a way as to minimize safety hazards to the extent reasonably practicable and will mitigate adverse impacts on the public and on neighboring properties such as those from traffic overloading, noise, dust, unsightly visual aspects, surface subsidence, avalanches, landslides and erosion; and whether appropriate historic sites will be protected.[(EN2)]

CC&BJ 49.65.130(f) further provides:

> The department shall form a recommendation as to whether the permit should be approved . . . . The department's recommendation may include such conditions or stipulations as the department deems to be reasonably necessary to mitigate any adverse environmental, health, safety, or general welfare impacts which may result from the proposed mining operation. . . . If the [planning] commission determines that the application, with stipulations or conditions[(EN3)] as appropriate, satisfies the standards of Sections 49.65.135 and 49.15.330, it shall approve the application . . . .

The primary requirements for a large mine permit are contained in CC&BJ 49.65.135 (1989), which states:

> STANDARDS FOR ISSUANCE OF PERMITS AND CONDUCT OF OPERATIONS. (a) In determining whether to recommend issuance of a permit, the [community development] department shall require that:
>
> (1) The mining operations be conducted in accordance with this article, Section 49.15.330,[(EN4)] and any other applicable provisions of the city and borough code in such a way as to mitigate adverse environmental, health, safety and general welfare impacts;
>
> (2) Air and water quality be maintained in accordance with federal, state, and city and borough laws, rules and regulations;
>
> (3) Hazardous and toxic materials, sewage, and solid waste be properly contained and disposed of in accordance with applicable federal, state, and city and borough laws, rules and regulations;
>
> (4) The operator conduct all mining operations according to the standards of the city and borough as contained in this article, Section 49.15.330, the permit, and any other applicable provisions of the city and borough code, so as to minimize to the extent reasonably practicable safety hazards and to control and mitigate adverse impacts on the public and neighboring properties, such as from traffic overloading, noise, dust, unsightly visual aspects, surface subsidence, avalanches, landslides and erosion;
>
> (5) Appropriate historic sites designated as significant by the city and borough be protected;
>
> (6) Reclamation of the affected surface be in accordance with the approved reclamation plan of the operator; and
>
> (7) With respect to a large mine permit application, the operator negotiate and enter into a mitigation agreement with the city and borough . . . .
>
> . . . .
>
> (b) Reclamation of all affected surfaces shall be completed as soon as is reasonable after affected surface areas are no longer being used in exploration and mining operations. Reclamation shall include the following: cleanup and disposal of dangerous, hazardous or toxic materials; regrading of steep slopes of unconsolidated material to create a stable slope; backfilling underground shafts and tunnels to the extent appropriate; adequate pillaring or other support to prevent subsidence or sloughing; plugging, or sealing of abandoned shafts, tunnels, adits or other openings; adequate steps to control or avoid soil erosion or wind erosion; control of water runoff; revegetation of tailings and affected

> surface areas with plant materials that are capable of self-regeneration without continued dependence on irrigation and equipment where appropriate; rehabilitation of fisheries and wildlife habitat; and any other conditions imposed by the commission. Subsequent to the issuance of a permit or the grant of authority under an exploration notice, the operator's compliance shall be measured against the requirements contained in that permit or the conditions of the exploration notice and the operator's plans submitted with the permit application or the notice.

THE LARGE MINE PERMIT

After making its determination, the Commission issued a notice of decision, granting approval for the application for a large mine permit subject to a set of conditions. The notice of decision lists the six requirements that are applicable to all conditional use permits as set forth at CC&BJ 49.15.330 and the twenty-one requirements set forth in the mining ordinance (CC&BJ 49.65.100-195), and states its findings for each of these requirements.

TNA and AFJ argue that the findings and conditions in the notice of decision evidence a lack of compliance with the code. They argue that the CBJ used a "'phased' approach in approving the large mine permit." They point to three ways in which they believe the CBJ engaged in phasing. First, the Commission withheld approval of the dam, the tailings pond and marine water discharges until further information was provided, yet granted the permit for the remainder of the project. Second, the Commission approved the permit, yet required Echo Bay to provide further information on certain matters. Third, the Commission imposed as a condition that Echo Bay obtain necessary permits from other agencies.

Echo Bay and CBJ argue that this phasing is consistent with the code. CBJ argues "[t]he purpose of the mining ordinance and the Commission is to grant permits, not to deny them." CBJ and Echo Bay argue that "the CBJ mining ordinance does not vest the commission with discretion to disapprove a large mine permit application when the standards for permit issuance have been met," relying on CC&BJ 49.65.130(f), which states that "if the commission determines that the application, with stipulations or conditions as appropriate, satisfies the standards of Sections 49.65.135 and 49.15.330, it shall approve the application." (Emphasis added.)

CBJ and Echo Bay also contend that the mining ordinance can be satisfied by including permit conditions which incorporate the requirements of the ordinance -- it is not necessary to determine in advance whether the plans submitted in the permit application will satisfy those requirements. CBJ argues that the purpose of the ordinance "is to mandate compliance not predict it."

DISCUSSION

This court must determine to what extent the City and Borough of Juneau's code allows phasing when evaluating large mine permit applications. This is a question of statutory interpretation which does not involve agency expertise. Thus, this court will use its independent judgment. See Marlow v. Municipality of Anchorage, 889 P.2d 599, 602 n.1 (Alaska 1995) (reviewing zoning commission's and board's constructions of zoning ordinance under independent judgment standard, as issues presented were "pure questions of statutory construction which d[id] not involve agency expertise").

A. Did the Commission Err by Granting a Large Mine Permit Which Excluded the Tailings Dam and Impoundment and Wastewater Discharge?

In this case, CC&BJ 49.65.135(a)(2) requires that "water quality be maintained in accordance with federal, state, and city and borough laws, rules and regulations." In its findings concerning the AJ Mine, the Commission stated that it could not "conclusively determine at this time with current information that the proposed treatment system will maintain water quality in accordance with federal, state and local laws, rules and regulations." The Commission further found that "[t]he available data shows that the federal limit for total suspended solids (TSS) will not be met by the marine water discharge." CC&BJ 49.65.135(a)(4) provides that a mine operator must "conduct all mining operations . . . so as to minimize to the extent reasonably practicable safety hazards." The staff had various concerns about the safety of the AJ Mine's proposed tailings dam.

The Commission responded to these problems by withholding approval of the tailings dam and impoundment and the marine wastewater discharge components of the project. The Commission decided that it would determine whether to approve the tailings dam and impoundment and the marine wastewater discharge after the receipt of further information.

While the Juneau code does have provisions allowing the Commission to put conditions on a permit, see CC&BJ 49.15.330(g), 49.65.130(f), there is nothing in the code to support granting the permit for a project as a whole, while excepting one part of a project. Past decisions of this court make clear that phasing a project by permitting it in stages is disfavored.

Three of our recent cases provide considerable guidance as to what sorts of permit approval "phasing" techniques are appropriate and what kinds are not: Trustees for Alaska v. Gorsuch, 835 P.2d 1239 (Alaska 1992); Trustees for Alaska v. State, Department of Natural Resources, 851 P.2d 1340 (Alaska 1993); and Kuitsarak Corp. v. Swope, 870 P.2d 387 (Alaska 1994). In Gorsuch, we held that in granting mining permits, "[Department of Natural Resources (DNR)] may not ignore cumulative effects of mining and related support facilities . . . by permitting facilities separately." 835 P.2d at 1246. We ruled that when DNR reviews a mining permit application, it must "consider the probable cumulative impact of all anticipated activities which will be a part of a 'surface coal mining operation,' whether or not the activities are part of the permit under review." Id. "If DNR determines that the cumulative impact is problematic," we stated, "the problems must be resolved before the initial permit is approved." Id.

We explained that "[t]his type of 'concept approval' is necessary to avoid a situation where, because of industry investment and reliance upon a past mining permit approval, DNR might feel compelled to approve a subsequent permit for a related but environmentally unsound facility." Id. at 1246 n.6. We added that "[i]n some cases, this may require concurrent, as opposed to serial, review of separate, related permit applications," while "[i]n other cases, anticipated problems resulting from cumulative impacts may require that approval of an initial permit be conditioned upon satisfactory resolution of the problems anticipated in subsequent permits." Id.

This court split in Gorsuch on whether an access/haul road for the mining operation could be permitted under a separate mining permit. The majority determined that a specific regulation

implied that separate permitting was allowed and that cumulative impacts could be adequately considered under separate permitting in that instance. Id. at 1245-46. Justice Rabinowitz, joined by Justice Matthews, dissented, arguing that the applicable regulations prohibited separate permitting, and that a single permit was necessary to ensure that the cumulative effects of the mining operation would be adequately considered. Id. at 1250-51.

Justice Rabinowitz contended that "[c]ourts have disallowed segmentation of a proposed project . . . to assure that the cumulative effects of the project are adequately considered . . . ." Id. at 1251. Justice Rabinowitz cited Thomas v. Peterson, 753 F.2d 754, 760 (9th Cir. 1985), for the proposition that "allowing consideration of cumulative impacts after a portion of [a] project is already approved" swings the balance in favor of project approval even if the project would have been disapproved had all components of the project been considered in the initial permit application. Gorsuch, 835 P.2d at 1251.

In Trustees for Alaska v. State, Department of Natural Resources, 851 P.2d 1340, 1341 (Alaska 1993) (Camden Bay II), DNR's approval of a sale of oil and gas leases was challenged. A regulation required DNR to identify known geophysical hazard areas, and prohibited approval of development in such areas until measures to minimize geophysical hazards were provided. Id. at 1343. DNR identified the entire sale area as a geophysical hazard area. Id. DNR intended to consider particular geophysical hazards on a lease-site-by-lease-site basis, requiring lessees to submit plans to mitigate potential geophysical hazards before approval to develop a specific lease site would be given. Id. at 1343-44 & n.7.

We disapproved DNR's approach. We held that DNR was required to identify known or substantially possible hazard areas before approving the lease sale as a whole. Id. at 1344-45. We explained that "deferring a careful and detailed look at particularized geophysical hazards to later stages of the development process . . . entails certain practical risks." Id. at 1344. Such deferral "may tend to mask appreciation of any cumulative environmental threat that would otherwise be apparent if DNR began with a detailed and comprehensive identification of [the] hazards." Id. We again noted that "the more segmented an assessment of environmental hazards [is], the greater the risk that prior permits will compel DNR to approve later, environmentally unsound permits." Id.

Another regulation at issue in Camden Bay II required DNR to identify important historic sites. Id. at 1345. DNR purportedly attempted to comply with this regulation by requiring the lessees to report on such sites and to try to preserve such sites, arguing that the regulation did not state when historic sites had to be identified. Id. at 1345 & n.9. We held that DNR had not complied with the regulation, and that DNR was required to identify known historic sites before approving the initial sale. Id. at 1346. We explained that evaluation of historic sites on a lease-site-by-lease-site basis ran "the risk of undervaluing the cumulative cultural significance of the region as a whole," and that the lessees would have an incentive to underreport historic sites. Id. We added that our holding that the regulation at issue required identification of historic sites before approval of the initial sale did "not mean that more intensive duties are not required by this regulation at later stages of development." Id.

We also ruled in Camden Bay II, however, that DNR did not have to examine transportation routes and utility sites before approving the initial sale because "[u]ntil exploration is proposed and, in all likelihood, until and unless a commercially exploitable

discovery is made, there will be no occasion for siting, designing or constructing transportation and utility routes." Id. We further decided that DNR was not required "to evaluate the effectiveness of [environmental harm mitigation] measures before even receiving detailed development proposals," since DNR would not be able to assess "detailed mitigation measures even before knowing which activities it needs to mitigate." Id. at 1347.

In Kuitsarak Corp. v. Swope, 870 P.2d 387 (Alaska 1994), DNR approved offshore prospecting permits in a region without conducting an in-depth analysis of the effects of mining in the region. Id. at 391 n.13, 394 & n.21. DNR contended that it lacked sufficient information to conduct such an analysis and that it would be easier to do the analysis when specific mining activities were performed. Id. at 391 n.13, 394 n.21. We rejected this procedure. We found that DNR had not adequately considered the potential and cumulative impacts of mining in the region. Id. at 395-96.

We noted that DNR's argument that it was difficult to obtain the information necessary to perform a proper evaluation of the impacts of mining in the region was undermined by evidence of federal studies similar to the studies which DNR needed to do. Id. at 396. We stated that "[o]nce the initial impact of mining on the region has been assessed, any unforeseen occurrences or conditions that are revealed during exploration can be dealt with by DNR through use of stipulations and conditions imposed on mining." Id. (emphasis added). We disapproved of DNR's use of conditions to require the development of plans to minimize potential dangers as a substitute for a complete analysis of the potential dangers. See id. at 396 n.27.

We can draw three general, guiding principles concerning when and in what manner "phasing" or "segmentation" is permissible from Gorsuch, Camden Bay II, and Kuitsarak. First, unless a specific statute or regulation allows phasing, phasing is disfavored. Compare Gorsuch, 835 P.2d at 1245-46 (regulation interpreted as permitting phasing) with Gorsuch, 835 P.2d at 1250-51 (Rabinowitz, J., dissenting) (regulation interpreted as prohibiting phasing). Where a statute is silent or ambiguous, phasing should generally not be allowed. See Camden Bay II, 851 P.2d at 1345-46 (regulation silent on when historic sites must be identified, but best interpreted as requiring identification of known sites at initial permitting stage).

Second, phasing is prohibited if it can result in disregard of the cumulative potential environmental impacts of a project. See Kuitsarak, 870 P.2d at 396 n.30; Camden Bay II, 851 P.2d at 1344, 1346; Gorsuch, 835 P.2d at 1246. The more interlinked the components of a project are and the greater the danger that phasing will lead to insufficient consideration of cumulative impacts, the greater the need to bar phasing. Compare Gorsuch, 835 P.2d at 1245-46 (separate permitting permissible so long as DNR determines that cumulative impacts will not be problematic) with Gorsuch, 835 P.2d at 1250-51 (Rabinowitz, J., dissenting) (unified permitting process necessary to ensure adequate consideration of cumulative effects).

Third, conditions and stipulations may be used to address unforeseen occurrences or unforeseen situations that may arise during exploration or development, but permit conditions may not serve as a substitute for an initial pre-permitting analysis that can be conducted with reasonably obtainable information. See Kuitsarak, 870 P.2d at 395-96 & n.27 (approving possible use of conditions to deal with unforeseen events but disapproving use of conditions as substitute for feasible, complete analysis).

Thus, phasing through the use of conditions is prohibited where it is feasible to obtain the information necessary to determine whether environmental standards will be satisfied before granting an initial permit, but allowed where it is impractical or impossible to create detailed development plans without conducting additional physical exploration. See Camden Bay II, 851 P.2d at 1343-47 (geophysical hazards and historic sites can be investigated during initial permitting stage but transportation routes and mitigation measures cannot be analyzed without further exploration and planning).

Based on these principles the Commission should not have granted the AJ Mine permit while excepting major portions of the project. The tailings dam and impoundment and the marine wastewater discharge system are integral components of the mining project; they are significantly interlinked to other parts of the project. If extensive redesigns to these components become necessary, the mining project could have a significantly greater environmental impact. Phasing the approval of those components could therefore cause the cumulative impacts of the mining project to be inadequately considered.

After the Commission granted Echo Bay the large mine permit for the project as a whole, the United States Environmental Protection Agency (EPA) disapproved the proposal for the dam at Sheep Creek, and Echo Bay abandoned the plan to build the dam there. The EPA's action will undoubtedly force major redesigns in the mine project. This sequence of events illustrates the dangers of CBJ's improper use of phasing -- the initial approval for most components of the AJ Mine may cause CBJ to fail to take into account the cumulative impacts of the redesigns made necessary by the change in the location of the tailings dam.

For these reasons we conclude that the Commission erred in granting permit approval of the project while deferring consideration of important portions of the project.

B. Did the Commission Err by Granting the Permit, Yet Imposing as a Condition that Echo Bay Provide Further Information?

As noted, the Commission found that it could "not conclusively determine at this time with current information that the proposed treatment system will maintain water quality in accordance with federal, state and local laws, rules and regulations." In addition, the Commission found that "[t]he available data shows that the federal limit for total suspended solids (TSS) will not be met by the marine water discharge." In addition to withholding approval of a portion of the project, the second way the Commission responded to this problem was to place conditions into the permit requiring the project "to comply with federal and state water quality standards." The Commission should not have granted the AJ mine permit without knowing whether the plan that was submitted to it would satisfy water quality standards.

The ordinance requires that an application contain enough information for the Department and the Commission to make determinations as to impacts and compliance. First, CC&BJ 49.65.130(f) requires the Department to conduct an application review, form a recommendation and provide the recommendation to the Commission. CC&BJ 49.65.130(b) provides that the application must contain "sufficient information so that the Department can, after reviewing the application, evaluate, in accordance with the standards of subsection 49.65.135(a), the impacts described in this subsection that the mining operation may have on the city and borough." That subsection includes "a description of other potential environmen-

tal, health, safety and general welfare impacts." Subsection 49.65.135(a)(2) provides that "[a]ir and water quality be maintained in accordance with federal, state, and city and borough laws, rules and regulations." Second, after the Department provides the recommendation, the Commission must determine whether the "application, with stipulations or conditions as appropriate satisfies the standards of Sections 49.65.135 and 49.15.330." CC&BJ 49.65.130(f). CC&BJ 49.65.330(e)(1)(B) in turn provides that the Commission shall determine whether the application is complete. CC&BJ 49.15.130(b) provides that "[a]n application is complete when it contains all of the information necessary to determine if the development will comply with all of the requirements of the permit applied for." Thus the ordinance requires that (1) the application contain sufficient information for the Department to determine the environmental impacts of the mining operation; and (2) the Commission determine whether the application contains the information necessary to determine whether it will comply with water quality rules and regulations. The Commission's statement that it did not have enough information to determine whether the system would adhere to water quality standards makes it clear that the application failed to meet either of these requirements. Without this information, the Department lacked sufficient information to determine the environmental impacts of the project. In addition, without this information the Commission could not have determined that the application was complete.

This interpretation of the code is further supported by Kuitsarak, 870 P.2d at 394-96. In Kuitsarak, DNR did not gather necessary information regarding environmental impacts before granting an offshore prospecting permit. Id. Similarly, in this case, further information on water quality was necessary before the Commission could grant the mining permit, or even consider the application complete. (EN5)

CONCLUSION

The Juneau Planning Commission engaged in impermissible phasing in its approval of the AJ Mine permit. The Commission deferred approval of components of the mine which are interlinked with other components, creating an unacceptable danger that cumulative impacts would not be sufficiently analyzed. The Commission utilized conditions as a substitute for evaluations that could have been conducted with feasibly obtainable information.

The Commission reacted by placing conditions on the permits and deferring approval of mine components when it was faced with data that the proposed mine projects would not comply with Juneau code requirements or when it did not have sufficient information to determine whether the requirements would be met. If allowed to use such phasing in response to defects in mining applications, the Commission could grant approval to any permit application no matter how deficient it is, making the Juneau code virtually meaningless and Commission decisions effectively unreviewable.

For these reasons, we REVERSE the decision of the superior court and REMAND this case to the court with directions to vacate the decisions of the Juneau Assembly and of the Commission granting the mine permits, and to REMAND to the Commission for further proceedings in accordance with this opinion. (EN6)

ENDNOTES:

1. CC&BJ 49.80.120 defines "impact" as used in CC&BJ 49.65 as

"the reasonably foreseeable effects or consequences of a mining operation."

2. These required determinations track the "standards for issuance of permits and conduct of operations" put forth in CC&BJ 49.65.135.

3. CC&BJ 49.15.330(g) allows the Commission to place seventeen kinds of enumerated conditions, as well as "other conditions as may be reasonably necessary," on a conditional use permit.

4. CC&BJ 49.15.330 contains the general standards for obtaining a conditional use permit in Juneau.

5. AFJ and TNA argue that "an applicant simply cannot demonstrate compliance with all applicable requirements unless it first has obtained the necessary permits from other agencies." The code does not necessarily require this level of demonstration of compliance, but at the very least, the application must contain the "information necessary to determine" whether the project will comply. CC&BJ 49.15.130(b)

6. The issues regarding the existence or lack of substantial evidence to support various CBJ findings are mooted by our decision.

ALASKANS FOR JUNEAU

Dedicated to Clean, Healthy Economic Diversity in the Capital City

March 26, 1999

Comments on SCR 7 and HCR 4
Resolutions Regarding Tulsequah Chief Mine, Canada

Alaskans for Juneau, a citizens group formed in 1989, supports International Joint Commission review of the proposed Tulsequah Chief Mine. The mine project with its planned road through the Taku River watershed could have detrimental effects on American and Alaskan resources, particularly fish and water quality. IJC review provides important scrutiny of the international issues raised by our state and federal governments.

We do not support the proposed resolutions to develop the mine without the diligent review necessary to fully evaluate its impacts on the valuable resources shared with our Canadian neighbors. Complete analysis of the mine's impacts must be presented prior to construction of the mine road or any project facilities.

It is clear from the British Columbia government's decision to proceed with issuing a special use permit for mine road construction over the objections of Governor Knowles that Alaskans' concerns are not being given full consideration. The State of Alaska is recommending IJC evaluation to protect transboundary salmon, fisheries, and wildlife. Potential adverse impacts to the lands and people of the Taku River Tlingit First Nation are also being ignored by promoting development of the Tulsequah Chief Mine.

It is untimely and unwise for Alaskans to support a mine project with potentially harmful effects on salmon at a time when Pacific Northwest citizens are facing restrictions on their activities to protect newly listed endangered species of salmon. Residents and businesses throughout our region need to promote healthy salmon habitat and maintain good water quality to ensure the continuing survival of wild salmon.

IJC referral will encourage careful development of the common resources shared by Americans and Canadians.

Submitted by Laurie Ferguson Craig, Issues Coordinator, Alaskans for Juneau. Contact 907.789.2768

P.O. Box 22428 Juneau, Alaska 99802 (907) 463-5065

Alaska State Legislature

Please enter into the record my testimony to the House & Senate Resource (committee name)
committee on HCR #4 & SCR #7 (bill/subject), dated 3/19 & 3/18/99

We've plenty of paved industry lobbyists without having our elected officials taking on that task.

An 80 mile road is too much watershed to effect. You're not going to keep people off that road once it's built. So you're changing that watershed in a big way not just hunters & trappers but other mines. That road will have to be maintained long after the Tulsequah Mine is worked out and used up.

The dirth of answers to my questions about this development leads me to support the governor's request for referral to International Joint Commission.

No! to HCR #4 and SCR #7

Signed: Michael Heller (Testifier) Phone: 247-7603

(Representing (Optional))

PO Box 7603 KETCHIKAN, AK. 99901 (Address)

United Southeast Alaska Gillnetters
PO Box 22427
Juneau, Alaska 99802
(907) 586-5860 Fax (907)780-6621
E-mail: usag@alaska.net

March 25, 1999

Representative Scott, Ogan, Co-Chair
House Resource Committee
Alaska State Legislature
Juneau, AK 99811

Dear Representative Ogan and Committee Members,

The United Southeast Alaska Gillnetters Association (USAG) is writing to express concern and opposition to HCR 4 and SCR 7, resolutions regarding the Tulsequah Chief Mine. USAG is an organization of approximately 200 members and 35 associated businesses representing Southeast Alaska fishery. Of 485 permits in the Southeast Alaska gillnet fishery, 72.5% are Alaskan residents.

USAG is not opposed to expansion or development of new industries or other resource uses as long as it is conducted in a manner that protects the interests of those currently dependent on present resources quality and quantity. We have worked with Coeur Alaska in what we believe is a positive working relationship in the development of the Kensington Mine located in Lynn Canal. We are currently working with them as they go through the process of amending their permits for the changes they wish to make to their project following the optimization study performed over the last year. We have attached to our testimony today the Water Quality and Habitat Resolution USAG passed on 11/22/97 by our membership. (Attachment #1)

The Taku gillnet fishery supports approximately 100 boats at the peak of the sockeye run. The gillnet fishery harvests sockeyes, chums, cohos, pinks and kings within the district 11 Taku fishery. The troll fishery in Southeast Alaska also harvests an average catch of 57,400 coho per year. According to information from CFMD in the past 5 years this has provided an ex-vessel value of salmon in the range of $3.5 to $5.3 million. The sports fishery in Juneau significantly benefits from the salmon resources of the Taku watershed, in particular from the coho and chinook salmon stocks.

Salmon is of economic, cultural, social and recreational importance on both sides of the border. The Taku watershed is located within the traditional

territory of the Taku River Tlingit First Nation. This area is important for the harvesting of subsistence needs both fish and game. Canada also has a small commercial fleet that significantly utilizes the salmon resources of the Taku. As part of the Pacific Salmon Treaty, Canada and US have been participating in joint transboundary sockeye projects for the benefit of both countries. The success of these transboundary projects has been a bright spot over the past several years when treaty negotiations have not been successful.

While the sockeye salmon is very important to the gillnet fleet, the coho salmon which benefits the sports, charter, troll and gillnet fleet is very important to Southeast Alaska. Cohos have been of particular concern during this process as the largest stock of coho spawns immediately below the project location in the Flannigan Slough. Besides being spawning habitat, this is an area of critical rearing and staging area for juvenile salmon from throughout the watershed. The potential short and long-term impacts to this area have not been thoroughly analyzed.

The mine-tailings site will be located with a low-lying slough within an area subject to periodic flooding. Since the Tulsequah Chief mine is a highly acidic mine, the possible of leaching of acid and heavy metals into the Taku watershed is highly probable. Tailings pond seepage is expected to exceed the guideline for protection of aquatic life with regards to copper and zinc. Mine discharge should be treated prior to placement within the tailings pond. The seepage discharge from the tailings pond will be across several hundred meters of wetland shoreline, and it is anticipated that the metals will precipitate out as sulfides and the dissolved metals will be diluted by water moving through the wetlands. Monitoring is proposed downstream of this site, but is would be difficult to remediate the problem once the tailing pond was in operation.

The proposed road option presented in November of 1997 would have a road being built across 126 streams and tributaries of the Taku. We are concerned about the habitat disturbance in both the short and long term. Generally a road of this length and profile does not end up being decommissioned at the end of a project. USAG has concerns about the amount of spawning and rearing habitat that could be forever harmed.

We have enclosed the attachment to a letter sent to Mr. John Higginbotham at the Embassy of Canada dated August 28, 1998 that lists the outstanding concerns of Alaska on the Tulsequah Chief Mine Project. (Attachment #2)

The State of Alaska is not the only entity that is questioning the process that has been used to issue the mine certificate. The Taku River Tlingit First Nation was also invited to be at the table during the 3-1/2 year review and

Attachment #1

United Southeast Alaska Gillnetters
PO Box 22427
Juneau, Alaska 99802
(907) 586-5860 Fax (907)780-6621
E-mail: khansen@ptialaska.net

Resolution
Water Quality & Habitat

Whereas commercial fishing in Alaska is critically dependent on maintaining water quality and healthy fish rearing habitat from both a biological basis and a market perception basis United Southeast Alaska Gillnetters Association will:

1. Participate in the development of government (national, state and local) policy actions that involve setting standards for water quality and habitat usage. The goal should be to maintain our current pristine water conditions and our viable and healthy fish rearing habitat.

2. Participate in public hearings for resource extraction projects or industrial development projects and insist that such projects be carried out according to standards that will insure and maintain present water quality and fish rearing habitat.

3. Strive to make it clear that fishermen are not opposed to economic development. Expansion or development of new industries can be good for everyone if it is conducted in a manner that protects the interests of those currently dependent on present resource quality and quantity. (In simple terms, creating new jobs is a good thing only if it doesn't come at the expense of current jobs!)

Adopted 11/22/97
Annual Membership Meeting

participated in the review during the whole time period. The Taku River Tlingit First Nation has filed suit in the Supreme Court of British Columbia on Feb. 11 (No. A990300 of the Vancouver Registry) in order to voice their concern about the project.

USAG feels that it was very appropriate for the Governor to request an International Joint Commission (IJC) review of this mine proposal. We feel that it is possible to have the Tulsequah Chief Mine be operational in a safe manner that would protect the water quality and fish resources of the Taku Watershed. It is very possible that most of the Alaskan concerns will be met during the remainder of the permitting process but for us to feel that there is not a major risk that cannot be overcome we need some of the details of the project that have not been planned out to date. Therefore to determine the quantity of risk to Alaska it is most appropriate to have an IJC review that will address the differences between the permitting processes and whether this project will have an impact on the habitat necessary for salmon and the water quality aspects of this project.

An IJC review prevents and resolves disputes between the US and Canada under the 1909 Boundary Waters Treaty and pursues the common good of both countries as an independent and objective adviser to the two governments. (Mission Statement of the International Joint Commission) The IJC recommendations are non-binding unless requested by the two Governments for a binding decision. As of September 1998 this provision has not been used even though the IJC review process itself has been used on a variety of issues mostly on the East Coast and around the Great Lakes area. (Attachment 3 is the Mission Statement and Guiding Principles of the IJC.)

We hope that you will consider the importance of the Alaskan Commercial fishing industry as you deliberate on this issue and will agree that an IJC review would be in the best interests of the state.

Sincerely,

Kathy Hansen

Kathy Hansen
Executive Director

Attachment #2

Outstanding U.S. Concerns on the Tulsequah Mine Project

1. Unresolved mine site design issues including long-term site maintenance

- The placement of a large tailings pond for mine waste on an active flood plain, without either designing it as a permanent facility or securing an adequate data base to estimate the size and frequency of future flood and mass movement events.

  -- The short time period for collection of the data from Shazah Creek used to extrapolate a 200-year flood limits confidence in the flood prediction.

  -- Evaluation of the erosion potential of the Shazah Creek flood flow may be too limited in scope, given that the valley fill is described as an alluvial fan or flood plain. Additional detail is needed on the age of the fan and all potential sources of debris and erosion.

  -- The stability of the launching apron (of the riprap berm/toe) relied on for dam stability during flood events is not clear, as the scour is anticipated to extend beneath the apron.

  -- Given the need for perpetual maintenance if the tailings impoundment is located in the floodplain, U.S. agencies believe a feasibility study of long-term access for large equipment that addresses logistical considerations as well as cost is needed. This is particularly important as air transport would be the method to bring in necessary equipment to maintain the impoundment, and it remains unclear whether this is feasible given the limited runway and the fact the airstrip would be in the floodplain as well.

- In sum, U.S. federal agencies and the State of Alaska believe the option of a tailings disposal site at Paddy's Flat appears to have been prematurely eliminated from consideration, given that it appears to be a more environmentally sound option.

2. Long-term cumulative environmental impacts

- Construction of the proposed mine access road is likely to contribute to the development of additional mines in the area, which could dramatically increase environmental risks to the Taku River watershed. Canada's responses to date do not provide adequate information and assurances that water pollution in the Taku River watershed will be prevented or minimized over the long-term. We believe the possibilities of further development need to be addressed before irrevocable changes are approved in the watershed.

3. Water Quality

- Alaska has strict regulatory requirements that must be met before a mixing zone can be granted in Alaskan waters. British Columbia has agreed to address these requirements, but only during the permitting stage. Such a delay leaves other site locations and alternatives off the table for discussion, as the location of major project features will have already been approved by the time an assessment is made.

- Specific concerns about the mixing area relate to the fate of contaminants, principally metals; the concentration of contaminants and chronic toxicity at low flows; and unproven use of a diffuser in a volatile, glacial fed river. In addition, information is needed about the timing of seasonal flows and dilution factors of mine waste in the river in relation to the movement and spawning of fish, given that some life stages have very limited mobility or range and may not move from the mixing zone.

- Absence of discussion in project documents of the impact of untreated water discharge on the river until treatment begins in late 1999, as well as indication of who will be responsible and what the threshold will be for moving the effluent discharge pipe to account for changes in water flow.

- Long-term enforcement of water quality requirements. Past mining activities in the area that are causing water quality problems, including chronic ARD discharge from the current mine site since the 1950s, have yet to be corrected, whereas project documents indicate that

there are no known transboundary water quality or fisheries effects from any mine project in the area. Chronic toxicity at this location is an unknown. It will be influenced by factors such as the long-term exposure to mixtures of metals which may be additive in nature; bioavailability of these metals; bioaccumulation of some metals; physiological effects on reproduction and growth; and effects through dietary routes of exposure. Moreover, there are potential pH issues in the receiving creek waters and at the creek's confluence with the inlet. Although the inlet may have a great enough dilution and mixing to eliminate pH problems, it might be a different story in the freshwater receiving stream.

4. **Fisheries**

- Potential negative effects on important transboundary fisheries resources. While the proposed risk assessment appears to respond to a number of U.S. concerns, we believe acceptable risks should be identified, and potential impacts fully evaluated, before project certification.

- The potential effects of turbidity, as well as the deposition of fine particulate matter on the stream bottom. This depositional material fills interstitial spaces necessary for quality spawning habitat and productive invertebrate habitat. In addition, fine particulate matter associated with metals-rich tailings may be directly toxic to the invertebrate stream community through their exposure to the whole sediments as well as the interstitial water (pore waters) associated with those depositional sediments.

Attachment #3

IV

MISSION STATEMENT & GUIDING PRINCIPLES

MISSION STATEMENT

The International Joint Commission prevents and resolves disputes between the United States of America and Canada under the 1909 Boundary Waters Treaty and pursues the common good of both countries as an independent and objective adviser to the two governments.

In particular, the Commission rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects; it assists the two countries in the protection of the transboundary environment, including the implementation of the Great Lakes Water Quality Agreement and the improvement of transboundary air quality; and it alerts the governments to emerging issues along the boundary that may give rise to bilateral disputes.

GUIDING PRINCIPLES

1. The Commission gives full effect to the spirit and purpose of its mandate as expressed in relevant agreements and references.

2. As a binational institution, the Commission maintains strict impartiality in the performance of its duties.

3. Commissioners represent only the Commission and not the government that has appointed them. Advisers and staff members serve only the Commission and not their respective governments. Members of the Commission's boards or similar bodies serve on such bodies in their personal and professional capacity and not as representatives of the agencies or organizations that employ them.

4. While the Commission comprises two sections and maintains offices in Washington, Ottawa and Windsor, it remains a single integrated body working collegially in a

spirit of openness, mutual trust and confidence, and in the common interest of both countries.

5. The Commission seeks to achieve consensus wherever possible, both in its own deliberations and those of its boards and similar bodies.

6. The Commission employs joint fact-finding as a foundation for building consensus and determining appropriate action.

7. The Commission affords all parties interested in any matter before it a convenient opportunity to be heard. It promotes the engagement of state, provincial and municipal governments and other authorities in the resolution of these matters.

8. While directing its advice and assistance to governments, the Commission takes account of the need to foster public awareness of the issue in question and ensure that the public is able to contribute to the consideration and implementation of its assessments by governments.

9. The Commission's advice must be not only independent and objective but also timely, well- founded, honest, and relevant.

10. In environmental matters, the Commission affirms the concept of sustainable development, the ecosystem approach, and the virtual elimination and zero discharge of persistent toxic substances. While emphasizing the importance of a sound scientific basis for its conclusions and recommendations, the Commission also recognizes that it may sometimes be necessary to adopt a precautionary approach and to act even in the absence of a scientific consensus where prudence is essential to protect the public welfare.

11. The Commission's rules of procedure must be in accordance with justice and equity.

12. The Commission adheres to the highest ethical standards in all its activities.

13. The Commission seeks to ensure the inclusion of appropriate expertise in the membership of its boards, while drawing that expertise from a diversity of sources on a non-discriminatory basis.

Neil MacKinnon

1114 Glacier Ave.
Juneau, Alaska 99801

March 26, 1999

Re: HCR-4 & SCR-7

Dear Legislators

Five generations of my family have used the Taku River for hunting, fishing and access to and from the early gold fields of Fortymile, Circle City and Atlin. My family has had a cabin on the banks of the Taku for over 40 years. I am not concerned by the mine. I am not concerned by the road. I am very concerned by the new attention the environmental industry has taken in the Taku River. Saving the Taku is the next new cause the enviro-elete can use to justify their existence and funding.

This is no pristine area as the environmentalists are trying to portray. I can remember as a youth the operating mine that Redfern Resource is attempting to reopen. This road and mine will not harm the Taku, it's fish and wildlife, or our lifestyle on the river. What will harm the Taku is the environmental lobby and the tactics they will use to "save us".

The "Coordinated Campaign Strategy To Save The Taku River" is quite clear about the aims of the environmental groups. That is "to stop the immediate threats to this area and to establish a plan for the longer term protection of its environmental values and of the people in the region." The campaign's further goal and objective is "To stop the mine in such a way that it ensures a developmental moratorium on the Taku Watershed." They do not want a better project; they want to kill it. They do not want to save the Taku they want to lock it up. They are using the Taku as the next cause to entice funds from large foundations and perpetuate their existence.

I agree with the enviro-eletists that the Taku is unique and its uniqueness deserves to be preserved. But contrary to the environmental view it's uniqueness is because **The Taku is the last river on the border between Alaska and Canada not encumbered by a Park, Wilderness, Wild River or other restrictive designation.** The freedom to use and access the last unencumbered trans-border river must be preserved. I applaud the legislature for taking the initiative to keep the Taku free.

Sincerely,

Neil MacKinnon

Len Peterson
3152 Pioneer Ave. Juneau, Alaska
Alaskan since 1970
Member of United Southeast Alaska Gillnetters
Commercial fishing the Taku River since 1981

Written testimony in support of Governor Knowles request for a IJC hearing concerning development of the Taku River watershed and specifically the Tulsequah Chief mine and road.

I support the Governor's request for a hearing before the International Joint Commission (IJC) concerning the Tulseqauh Chief mine project and other potentially devastating projects impacting the Taku River watershed. I ask that Governor Knowles continue to push this request since that request is the only means my interests with the Taku Drainage development might be addressed.

Projects such as the Tulsequah Chief mine which potentially impact resources and economies of both Alaska and British Columbia seem appropriate to bring before the IJC. Indeed, that is precisely why there is an Internation Joint Commission. The IJC is the proper political arena to address concerns with this project since any mishap at the mine, or the road to the mine, or any mishap in the Taku watershed could affect, in a few short miles, my ability to etch a partial living from the river using my purchased gillnet permit. Loss of spawning area and rearing area directly affects my opportunity to catch and sell product which contributes to the Juneau economy. I have nothing to gain from the Tulsequah Chief mine and road project but could lose all I presently enjoy fishing the Taku River each summer and fall.

I am unwilling to substitute the established arena of the IJC for this hearing process, though I must add that this hearing is more of a hearing than I have had before any Canadian agency or the developers. The one "hearing" held in Juneau concerning the mine and road was, by Mr. Ringstad's admission, merely a courtesy. The impression given was "mind your own business Alaskans." Unfortunately, any development on the Taku River of this magnitude must be my business. Within a short flowing distance any Canadian problem becomes my problem, shared with a fleet of 80 or so Alaskan fishers.

Canadian representatives and developers will testify that they have undertaken an exhaustive study of the project. They will assure you that all is safe and that squads of noted scientists have placed a stamp of approval on the project. They may even show you the volumes of data carefully packaged into thick binders or the hearing schedule and volumes of testimony. But please recognize my interests and ask why other Canadian scientists not on Redfern's dole question the data, question the road impact, question the habitat impacts, and question the environmental protection, or have data in contradiction to that provided. Question how habitat and rearing areas will be protected and how U.S. fishers depending upon the fish bounty provided by the Taku River will be compensated if, contrary to promises, spawning habitat and fish numbers decline dramatically. Please question why Alaskan interests were ignored. The IJC is a proper venue to address these questions, but those of you against that submission, please protect my Alaskan interests now rather than the convenience of a developer already satisfied by a Canadian speedy review process.

Again, I support the Governor's request for an IJC hearing and trust this committee also sees the wisdom of protecting Alaskan interests with the IJC process.

Sincerely,

Len Peterson
3152 Pioneer Ave., Juneau, AK 99801

Edward Hansen
F/V Ocean Gold
5875 Glacier Hwy #21
Juneau, AK 99801
(907) 780-5816

Senate Resources Committee
Senator Halford, Chairman
State Capitol, Juneau AK

I am an Alaskan resident and commercial fisherman in Alaska for the last 14 years. I mainly salmon fish the Taku – Stephens Passage fishery. I am concerned about the effect the Tulsequah Chief Mine will have on my fishery and ultimately my source of income to support my family.

I believe that with careful assessment and adequate planning that mining and fishing can co-exist but it must be done to minimize the risk to the other user. Unfortunately, with mining and fishing within the same area, the mine gets the economic benefits and most of the risks are to the fish habitat and water quality that my livelihood depends on.

At this time, the Tulsequah Chief Mine still has not adequately assessed the risks to the Taku watershed and the Canadian and Alaskan Taku fishery for commercial, sport and personal uses.

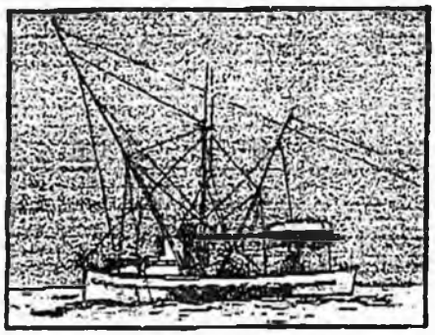
I would like to take this opportunity to thank the Governor for protecting my interests in this situation.

Sincerely,

Edward R Hansen

Edward Hansen
F/V Ocean Gold

3/3/99



Alaska
Trollers
Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

March 25, 1999

Representative Scott Ogan, co-Chair
House Resources Committee
AK State Legislature
Juneau, AK 99811

Dear Representative Ogan:

I am writing to express the Alaska Trollers Association (ATA) concern about language in SCR 7, which asks Governor Knowles to withdraw his request for an evaluation of the Tulsequah Chief Mine project by the International Joint Commission of the Boundary Waters Treaty.

While our association is not generally opposed to mining, ATA is concerned about the implications for water quality and fish habitat posed by large-scale development on any body of water that houses anadromous fish. Considering the state's minimal involvement to date with this project; the fact that Alaska will have little input into the near and long-term policy decisions surrounding this mine; and, given the importance of the Taku River to Alaska residents, a third party review does not seem unreasonable.

The Taku River is one of the largest salmon-producing rivers in the state. Sport, commercial and subsistence fishermen from both sides of the border derive significant benefit from fish originating in this river. In one district alone, Taku River salmon have directly contributed up to $5.3 million dollars a year to the commercial harvest. This doesn't account for processing and support industry revenue. Canada has established an in-river commercial fishery, which is of great importance to its residents. And, the Canada's Tlingit First Nation is highly reliant on this area for fishing and hunting purposes.

Under the Pacific Salmon Treaty, Alaska has been party to a successful and cooperative transboundary river agreement on the Taku and Stikine Rivers. In the name of conservation and fair sharing, Alaska fishermen have foregone harvest of thousands of Taku River fish since the mid-1970s. The end result has been a rejuvenation of the resource and enhanced goodwill between our nations.

It is not clear that Canada's environmental laws and programs for project review are as thorough as Alaska's. The status of its fisheries resource on both coasts does little to allay our fears. It is not clear whose science is being utilized in Canada's review process. Given some of the concerns raised about the validity of Canadian data, in this and other forums, by Alaska and Canada's own citizen's and scientific community, it seems even more prudent to consult a third party. After all, the Tulsequah Chief Mine could affect more than just Canada. Degradation of this watershed could mean the loss of millions of dollars to Alaska's fishing industry and the state. If there is another mechanism for working with Canada on this issue without an IJC review, which is supported by ADFG, it may be easier for the fishing industry to trust the end result.

SCR 7 suggests that Alaska cooperate with the Canadian government toward development of this mine. While it makes sense that Alaska would want input into any project that affects a shared waterway, the intent of this provision is unclear.

Thanks in advance for your consideration of ATA's concerns.

Sincerely,

Dale A. Kelley
Executive Director

By Charles Enman The Ottowa Citizen Friday 4 July 1997

36 scientists: End the Suppression
Manifesto calls for the restoration of integrity within DFO

Thirty-six prominent scientists from across the country have called for an end to suppression and control of government-supported fisheries scientists. They speak of a "long-overdue debate on how to ensure the integrity of government-administered science."

This issue, they say, is important to all Canadians, and not just those in government departments. They say concerns about bureaucratic interference in scientific work are widely held in the academic community and must be discussed "without filtration by senior bureaucrats with a vested interest in suppressing criticism."

These scientists are joint signatories of a letter sent to Dr. Arthur Carty, President of the National Research Council. The council publishes the Canadian Journal of Fisheries and Aquatic Sciences, which two weeks ago published an article and an editorial that were highly critical of the Department of Fisheries and Oceans' (DFO's) use of science in support of bureaucratic decisions.

The journal and the publisher soon came under the guns of a top DFO bureaucrat. "As scientists reliant on the objectivity and fairness of publications such as the Canadian Journal of Fisheries and Aquatic Sciences, we wish to take strong exception to the views expressed by W.A. Rowat, Canadian Deputy Minister of Fisheries and Oceans, in a letter sent to you and posted on the DFO web page," the scientists' letter says.

The scientists accuse Mr. Rowat of misrepresenting the nature of both the article and the editorial.

The article, entitled "Is Scientific Inquiry Incompatible with Government Information Control?," was authored by three biologists -- Jeffrey Hutchings of Dalhousie University, Carl Walters of the University of British Columbia, and Richard Haedrich of Memorial University in St. John's, Nfld.

The editorial, by retiring journal editor David Cook, summarized the article by saying: "They demonstrate a tendency for DFO to suppress scientific facts and opinions that do not conform either to current departmental orthodoxy or to political expediency."

Mr. Cook goes further: "This disturbing pattern lends great strength to their argument that a politically independent organization (reminiscent of the late, lamented Fisheries Research Board of Canada) is required to provide the difficult, vital link between scientific research and resource management."

That, of course, would tear apart the DFO, which since its creation in 1979 has had a scientific branch under the wing of departmental bureaucrats.

In recent days, the Citizen has published comments from a number of scientists who have been critical of DFO's treatment of science.

David Schindler, a University of Alberta biologist, worked for the DFO for 22 years until 1989. He said he was reprimanded several times for publicly criticizing policy decisions.

"There has to be something to buffer the politicians interested in being elected and the bureaucrats interested in being promoted from the scientists who are interested in helping the environment and know what they're doing," he said.

Andrew Read, an expatriate Canadian who works at Duke University in North Carolina, said: "I have colleagues in DFO who feel they can't speak out openly. But for good science, they have to be able to speak out without worrying about political pressures being brought to bear on them."

David Lavigne of the International Marine Mammal Association in Guelph was reported saying: "The general principle that the DFO abuses science is not new. The department does not accurately convey accepted scientific views to the people of Canada, a problem that has been going on for a long time."

Ransom Myers, who holds the Killam Chair of Ocean Studies at Dalhousie University, accused the DFO of suppressing scientific papers and scientific discussion. He said that bureaucrats have been responsible for disastrous decisions that have cost tens of thousands of jobs and billions of dollars.

Two DFO bureaucrats have since threatened Mr. Myers with a lawsuit if he does not issue an apology for remarks he made in a June 27 article in the Citizen. The Citizen itself has been threatened with a lawsuit if no retraction and apology for the article are published.

Messrs. Schindler, Read, Lavigne and Myers are among the 36 signatories of the letter sent to Mr. Carty of the National Research Council.

The article and editorial in the Canadian Journal of Fisheries and Aquatic Sciences were unexceptionable parts of a scientific journal addressed to fisheries issues, the letter of the 36 scientists said.

"The Perspectives section of the journal, in which the piece by Hutchings, et al appeared, is clearly intended as a forum for opinion and has a history of lively debate," the scientists' letter says.

As for the editorial, "the opinions of the editor are his own business, and any journal requiring editorial clearance from government bureaucrats would not be worth publishing in."

The letter of DFO Deputy Minister W.A. Rowat to Dr. Carty complaining about the article and editorial was withering in tone and assertion.

"I am appalled at the unprofessional and unsubstantiated nature of their attacks on DFO, its scientists, and its managers," Mr. Rowat wrote. "These authors have maligned the reputations of hundreds of dedicated, hard-working scientists and managers across the country."

He continued: "These are not scientific papers. They are tabloid journalism of the sort one would not expect to encounter in a scientific journal. They are based on innuendo and misrepresentation which have no place in a scientific journal."

It was in response to these strongly worded sentiments from the department's deputy minister that the 36 scientists chose to append their signatures to the letter to Dr. Carty.

"This letter and this collection of signatures is very much a first when it comes to the question of keeping science at arm's length from management," said David Lavigne, executive director of the International Marine Mammal Association in Guelph, where staff penned the actual text of the letter.

"Those who have signed include some very prominent scientists indeed," Mr. Lavigne said. And more signatures were coming in by the hour, he added.

The primary recipient of the letter will of course be Dr. Carty.

But the letter, which in its own words asks for a debate on "the integrity of government-administered science," will also be sent to the very pinnacle of government - Prime Minister Jean Chretien himself.

Other copies will be sent to Fisheries Minister David Anderson, to Ambassador for the Environment John Fraser, and to the two incoming journal editors, John Roth and Moira Ferguson.

In the article by Jeffrey Hutchings and his colleagues, it is alleged that interference in DFO science by bureaucrats and members of government has been costly to the fishing industry.

Such interference "compromises the DFO's efforts to sustain fish stocks and, thereby, the socioeconomic well-being of fishing people and fishing communities."

Bureaucrats, the paper said, do not deal well with the uncertainties and shadings in scientific work. This tendency may partly have accounted for disastrous decisions affecting the Atlantic cod fishery. The cod population may have been routinely overestimated, the paper says.

But then scientific work on the problems afflicting the cod fishery was compromised by a variety of bureaucratic intrusions, which included government denunciation of independent work, interference in scientific conclusions, and disciplining scientists who spoke publicly of the results of peer-reviewed research.

Many of these problems would be solved if fisheries science operated freely of bureaucracy and government, the paper concluded.

"The formation of a politically independent organization of fisheries scientists, or some such reorganization of the link between scientific research and the management of natural resources, is a timely idea that merits immediate, serious, and open debate."

The Canadian Journal of Fisheries and Aquatic Sciences "had a moral obligation to the community" to publish the article, David Cook wrote in his editorial.

Dr. Cook had his own instances of bureaucratic interference to point out. In 1988, he wrote, the DFO attempted to alter a statement in a paper that had been accepted for publication. In 1994, someone from the DFO attempted to find out the name of one or more referees of a published paper whose conclusions the department didn't like.

The DFO asked to read an advance copy of the Hutchings article to prepare a response for publication in the same issue of the journal. However, Mr. Hutchings preferred that any response to the article appear in a following issue, and no advance copy was given.

In a letter published on the DFO website, the department's assistant deputy minister, Scott Parsons, decried this decision.

"Why did these authors choose to deny the institution and individuals being attacked a timely and and fair opportunity to respond?" he asked in a letter published on the department's website.

"DFO's request was consistent with the Journal's common practice."

However, an editorial insert in the journal issue in which the Hutchings article appeared seems to confute Mr. Parson's statement.

"The authors were asked for their permission to provide advance copies of the Perspectives to DFO so that DFO could respond in the same issue. As is their right according to the editorial policy of the journal, the authors declined to do so. A response from the department on the scientific issues raised is anticipated in the June issue of the journal."

David Lavigne of the International Marine Mammal Association said that having the DFO's rejoinder published in a later issue of the journal was normal academic practice. "Usually, until a paper appears, it is essentially embargoed, unless the author chooses to circulate it," he said. "And if you found a point of disagreement after it appears, you would then submit your comments for publication in a subsequent issue."

Testimony of Don Weir, President of the
TAKU WILDERNESS ASSOCIATION
before the Alaska State Legislature on
Senate Concurrent Resolution No. 7

3-26-99

I am the president of the Taku Wilderness Association in Atlin, BC. We are a grassroots organization who oppose the reactivation of the Tulsequah Chief mine in the Taku watershed. We have serious reservations about the mine site, the location of the tailings pond, and other technical issues that we feel could lead to problems in the long term. Our main concern, however, is with the creation of a 100-mile road into the Taku. Aside from wilderness values and the closing off of other economic opportunities, the main issue is the lack of proper long-tern planning. To put it bluntly, there is NO PLAN.

This is not 1950, and to move into a large tract of essentially untouched land without a clear idea of what is in the best long-term interest of all the stakeholders from both sides of the border is foolhardy and dangerously irresponsible. Efforts are ongoing at the present time by the Taku River Tlingit First Nation to create a long-term management plan for the region, and this proposal by Redfern Resources and the provincial government to open up the area circumvents these local initiatives.

From the point of view of other stakeholders, the key question should be whether the assessment of this process properly addressed the short and long-term impacts of this project. Another question is whether the mitigation measures created by the provincial government to cover up flaws in Redfern's Project Report will adequately deal with long-term impacts. The best way to make this determination is to look at British Columbia's track record on other mining projects. The record does not provide much assurance.

We have been told by numerous government officials that due to severe budgetary cutbacks it will be difficult to properly investigate and remedy the inevitable problems that will come about from this project. Should stakeholders from both sides of the border trust that the BC government will take care of their interests? It's Alaska's call on that one, but to make an informed decision you need to be aware of the BC government's record.

Numerous lawsuits have been filed against the provincial government because of inadequate regulatory standards on past projects. The following will give you an idea of some of the problems with the environmental assessment of the Huckleberry and Kemess mines.

In the past, APPROVALS AND PERMITS have been ISSUED BY THE PROVINCIAL GOVERNMENT DESPITE A DEFICIENCY OF INFORMATION.

· During the Kemess environmental assessment, the company's mill site selection was deemed geotechnically acceptable on the basis of three boreholes. Not surprisingly, the

assessment turned out to be erroneous-the bedrock was not competent enough to support the mill. By the time this was revealed, however, the province had already granted a Project Approval Certificate.

· The province issued pre-production construction permits for the mine and mill site with woefully inadequate information. A proper evaluation of the newly proposed mill site had not been conducted by the province; the federal assessment of the project was not yet completed; the Fisheries Act authorization for permission to destroy 17 km of fish-bearing stream had not yet been granted by the federal Department of Fisheries and Oceans; there was no materials handling plan, sediment control plan, or effluent permits ;

· After a series of disastrous sedimentation problems leading to an eventual Pollution Abatement Order in July of 1997, it was acknowledged by provincial government that the problems were due, in part, to the fact that the government did not have guidelines for sedimentation control during the construction phase, nor did they require advanced approval of sedimentation or materials handling plans.

THE KEMESS and HUCKLEBERRY PROJECTS HIGHLIGHT THE INABILITY OF THE GOVERNMENT TO ENSURE COMPLIANCE WITH REGULATIONS and CONDITIONS SET OUT IN THE EA CERTIFICATES, PERMITS AND AUTHORIZATIONS.

The following is a condensed list of violations at the Kemess mine site:

· July 4 1997 - creek diversion is a VIOLATION OF the Water Act; sediment levels were in VIOLATION OF the Project Approval Certificate, Mines Act permit, and the Fisheries Act.

· July 16 1997 - a POLLUTION ABATEMENT ORDER was issued under the Waste Management Act, because construction activities were causing elevated levels of total suspended solids in Kemess Creek and its tributaries.

· as of Sept. 12 1997, the company had still FAILED TO MEET REQUIREMENTS of the July 16 pollution abatement order

· February 9, 1999 - FAILURE TO COMPLY with a January 29, 1999 order to raise the height of the tailings dam. A letter from the Ministry of Energy and Mines told the company that any delay in meeting the schedule would create a hazard, i.e., breaching of the dam and flooding of the valley downstream, would place the dam, workers and downstream environment at serious risk.

There were similar violations at the HUCKLEBERRY mine site:

· August 1996 - FAILURE TO PRODUCE water quality data; LACK OF Sediment Control Plan, even though it was a permit requirement;

· Sept. 1996- the Sediment Control Plan was submitted, but it was NOT ADHERED TO.

· June, 1997 - the company was OUT OF COMPLIANCE with Mines Act Permit because they began excavating East Zone Pit prior to submitting required Acid Rock Drainage information; many of the required monitoring reports were submitted LATE; in VIOLATION OF its Mines Act permit, the company constructed roads and a saddle dam out of potentially acid-generating materials!!

Finally, it appears that the tools used by the province to ensure environmental protection at mines sites are being traded away. Last month, the BC government (Job Protection Commission) waived their right to increase the reclamation bond payments for two years as part of a bailout package for the Huckleberry Mine. In so doing, the province accepted the possibility that public funds would have to be used to fund some of the mine's reclamation costs. This use of environmental securities as an economic and political negotiating tool represents a major breach of the public trust in terms of protection against environmental liability posed by poorly financed junior mining companies.

A more detailed written analysis of the problems with the BC assessment and regulation of Kemess and Huckleberry mines is available. It highlights additional potential problems that may be encountered at the Tulsequah Chief mine if the same lax regulations and monitoring occur with this controversial project.

The final question that I want to put forth is whether or not an IJC will address all of the concerns that residents on both sides of the border have on this project. I don' t have the answer to that question. But it's clear that a more thorough analysis of the controversial and flawed BC environmental assessment process that gave approval to the Tulsequah Chief project must come under closer scrutiny.

The judicial review initiated by the Taku River Tlingit First Nation will hopefully elucidate the way the province interfered with a proper assessment on this project. We ask that you reserve judgment on this resolution until the facts come out on this court case. There is too much at stake to do anything less.

Thank you for giving me the opportunity to speak.

Don Weir
Taku Wilderness Association

Lessons from the Environmental Assessment process of the South Kemess Copper/Gold Mining Project

The Kemess South Project is an excellent case study of the consequences of ineffective environmental assessment, certification, permitting, enforcement and monitoring.

1. PROCESS FLAWS

1.1 DECISIONS BASED ON LACK OF ADEQUATE INFORMATION

· During the EA process, the Project Committee accepted the company's selection for a mill site, despite the fact that the geotechnical adequacy of the site was determined on the basis of three boreholes. Not surprisingly, the assessment made on the basis of three boreholes turned out to be erroneous-the bedrock was not competent enough to support the mill. This was not, however, determined until after the company had received their Project Approval Certificate. If more detailed technical information had been provided, the appropriate mill site could have been selected DURING the EA review, and the process would have been far more credible.

1.2 PROVINCIAL AND FEDERAL ASSESSMENTS NOT COORDINATED

· The company then proposed to revert back to a mill site that had been one of the alternatives proposed during the EA process but was rejected early on for environmental and economic reasons.

· When informed of the proposed changes, the Department of Fisheries and Oceans (DFO) immediately asked the Canadian Environmental Assessment Agency to put the federal environmental review on hold pending an assessment of the new mill site. Before the federal environmental assessment of the project had been completed, however, the provincial MEI went ahead and issued permits for pre-production construction to begin, which included the relocated mill and facilities.

· Thorough studies were never properly conducted nor a proper evaluation undertaken of the alternative mill site. Clearly, the provincial government did not have enough information to assess competently the adverse effects of the mill site change, and there was no plan in place detailing how to mitigate or prevent potential adverse effects prior to issuance of the construction permit. The process was not open or accountable, since the MEI did not consider public or even federal input on the mill site change prior to issuing the permits.

1.3 Permits were issued by the provincial government despite a deficiency of information.

At the end of the BC EA process, there were too many information gaps to

have a clear idea of how the project was going to proceed. Yet MEI issued permits for the pre-production construction phase even though:
· there was no Mitigation Plan and Construction Phase Environmental Program
· the Fisheries Act authorization for permission to destroy 17 km of fish-bearing stream had not yet been granted by DFO ;
· the company had not finalized the Independent Supervisor Terms of Reference.
· a materials handling plan,
· a sediment control plan, and
· effluent permits from structures (tailings impoundments, open pits).

After the series of disastrous sedimentation problems leading to an eventual Pollution Abatement Order in July of 1997, it was acknowledged by provincial government representatives that the problems were the due, in part, to the fact that neither MEI nor MELP have guidelines that apply to the construction phase for sedimentation control, nor do they require advanced approval of a sedimentation or materials handling plans.

2. IMPLEMENTATION FAILURES

2.1 Changes to the Certificate led to a failure of the independent environmental monitoring program, with subsequent adverse environmental impacts.
· The Project Approval Certificate required Royal Oak to cover the cost of the environmental supervision program. However, MEI and Royal Oak later negotiated a bilateral agreement that the amount the company would pay would be capped at $100 000, after which MEI would cover the costs. Within four months Royal Oak's budget was spent, and so MEI assigned one of its employees to take on monitoring. During the second summer of construction, severe sedimentation problems were occurring all over the mine site; problems which, according to a DFO official, the Reclamation Inspector (through no fault of his own) lacked the necessary expertise to assess.

2.2 The Kemess project also points out the inability of the government to ensure compliance with conditions set out in the EA certificantes, permits and authorizations.
· August 1996 - during construction of the pit no soil salvage was carried out and that fill was placed directly on the topsoil, contrary to the soil salvage requirements of the permit. The report also notes poor maintenance of the Omineca Mine Access Road (OMAR), and resultant impact on the Sustut River
· September 1996 - serious sedimentation occurs in the Upper Sustut River, a valuable salmon spawning tributary of the Skeena, due to careless upgrading of the OMAR

· October - an Environmental Complaint was laid with MELP in by service men working at the mine. They made allegations of illegal burning of oil, improper storage of oil and heavy equipment crossing Kemess Creek, which were later substantiated by the Reclamation Inspector

· February 1997 - Reclamation Inspector stated that an aggressive program of seeding the disturbed areas along the road must be implemented prior to the growing season in mid-June. Hydro-seeding did not begin until August, by which time the growing season was practically over.

· March 3 - improper burning of refuse, improper refuse disposal (i.e., non-permitted wastes including solvents), improper storage of oil, illegal burning of oil

· July 4 - the diversion of a creek was in violation of the Water Act

- sediment levels were in violation of the Project Approval Certificate, Mines Act permit, and the Fisheries Act.

- the company failed to follow its mitigation plan, to install sediment control and runoff works; to begin seeding; to have proactive monitoring; to have appropriate expertise; to have appropriate authorizations; to submit plans and manuals for dams, diversion ditches and associated structures, and to make frequent monitoring data submission.

· July 16 - a Pollution Abatement Order was issued under the Waste Management Act, because construction activities were causing elevated levels of total suspended solids in Kemess Creek and its tributaries.

· August 9-16 - in blatant disregard of the Order, Kemess began construction work on the foundations of the tailings dam without any effective sediment control works in place.

- substantial exceedances of water quality objectives noted in Kemess Creek

· August 19 - lack of compliance with sewage permits

· Sept. 12 - as of this date, Kemess had still failed to meet almost every condition of the July 16th order: there were no plans on how to prevent and control sediment prior to the tailings pipeline road construction; plans for open pit/waste rock dump area sedimentation had not been received; reseeding efforts were inadequate.

· Sept. 24 - Kemess finally shuts down ongoing construction at the tailings pump house until runoff and seepage could be collected and pumped into a drainage ditch on the north side of the tailings pond

· Oct. 14-21 - less than one month after agreeing to remedy the situation, Kemess violates the agreement with MELP by pumping into the south drainage

MOST RECENTLY...

· February 9, 1999 - Royal Oak received a letter from MEM stating that the company had failed to comply with a January 29, 1999 order to raise the dam core crest in adherence to a minimum elevation schedule. The letter stated that any delay in meeting the schedule would create a hazard, i.e., breaching of the dam and flooding of the valley downstream, would place the dam, workers and downstream environment at serious risk.

- DFO expressed their own concerns in letters to the company and MEM. A

DFO official wrote to MEM: "you will recall that all federal and provincial agencies approval of this mine were contingent upon a zero release tailings system. We believe that a discharge from the tailings impoundment could have significant impacts on the environmental, and be a serious violation of the Fisheries Act. . . we are putting your Ministry on notice, and are considering issuing an Inspectors Direction to your Ministry, as a party who has contributed to the potential release of tailings water from the tailings impoundment as a result of relaxing freeboard requirements of the tailings dam from July 7, 1998 to Jan. 28, 1999."

As of Saturday, March 19, 1999, the required dam elevation had not been met (the target was 1437.5 m, the actual elevation was 1436.41 m). On March 22 a new plan was put forth by Royal Oak's engineering consultants, which stated that using a new design plan the tailings impoundment construction requirements could be met.

MEM gave the company until March 29 to get tailings dam elevation on schedule (if not by March 29). If they fail to do so, they will be ordered to stop mining/milling operations.

HUCKLEBERRY

1. PROCESS FLAWS

1.1 Inadequate information from the proponent led to significant delays in the EA process.

During the review of the Project Report submitted by Princeton, Huckleberry Mines Ltd. (HML), the Project Committee determined that the standard of information provided by Huckleberry in its application was not satisfactory.

· At a Project Committee meetings in Smithers, in August, 1995, an MEI official stated that the Huckleberry application was "the worst certificate application I've viewed."

· Project Committee participants in the ARD Working Group agreed that the ARD testwork and related predictions in the Application were "insufficient" or even "useless." Due to the poor quality of information provided in the application, the ARD Working Group was assigned the task of bringing the mine proposal into compliance. The reanalysis of the ARD data caused significant delays to the process.

· Lack of accurate fisheries data to determine Fisheries Compensation Plans and Cumulative Effects also caused delays in the EA process. HML's Project Report stated that "there is no fish habitat in the majority of the reaches of the streams that will be affected by the mine." On the

contrary, a MELP biologist concluded that the streams did contain plenty of fish habitat.

· Not only were delays caused by problems with the original data, but a failure to provide information in a timely manner also created delays. For example, the acid-base accounting (ABA) data in the Project Report, submitted in May, contained numerical errors, but HML did not revise the data until September.

· Delays continued into the permitting phase. Review and approval of ARD prediction/prevention information was held up because the company was late submitting their Permit Application document.

1.2 Information deficiencies may cause potential environmental problems HML experienced problems due to deficiencies with the initial inventory studies.

· Based on the original inventory studies, it was predicted that there would be sufficient construction materials (i.e., waste rock till) to build the dam. However, it was recently determined that there is a more mineable ore than originally thought, which means that there is less waste rock (one million tonnes less) than estimated. The new design may pose problems (environmental and/or procedural) because HML is proposing to build the impoundment dam from tailings (cyclone) sand.

1.3 Cumulative Effects not adequately assessed.

A true Cumulative Effects package could not be completed for the Huckleberry Project because the company would not commit to a location for their port facility. The location of the port in Stewart, B.C., was not announced until 15 months after Certificate for development was issued.

2. IMPLEMENTATION PROBLEMS

2.1 Non-compliance issues highlight the need for a stronger government commitment to enforcement.

· August 1996 - Effluent Permit for the construction phase was non-existent, and there was no intent to develop any legal permit regulations; water quality data had not been received, despite the Interim Reclamation Permit requirement that water quality monitoring data be reported monthly; as of this date, HML had no Sediment Control Plan, even though it was a permit requirement

· Sept. 1996 - the Sediment Control Plan was submitted, but it was not adhered to.

· June, 1997 - HML began excavating East Zone Pit prior to submitting ARD prediction/prevention information (required in Mines Act Permit Application); many of the required monitoring reports were submitted late; reporting on ARD was inconsistent and late; and monthly construction reports were typically submitted at least three to four weeks following the month of reference, in violation of its Mines Act permit, HML constructed

roads and a saddle dam out of potentially acid-generating materials!!

When there are continuous acts of non-compliance with permits or certificate specifications, governments should step-up their enforcement activities. It is within the provincial government's powers to "halt construction, operation, modification, dismantling or abandonment activities until the proponent obtains a project approval certificate, or complies with conditions of a project approval certificate." Furthermore, "In the event of non-compliance with an order made under the Act, the minister may apply to the Supreme Court for an order to comply.

2.2 Structural problems with tailings impoundment

In the summer of 1998, the company, halted construction of their tailings dam after it recorded unusual movements (as much as 400 mm or 16 inches) in the structure. The safety of the tailngs pond dam has been called into question by Glenda Ferris, who notes that water is flowing out of impoundment from between the bedrock and the till - but in the original design the impoundment was not supposed to have any seepage. A report by AGRA Earth and Environmental, released in November, highlighted that the lower fill in the dam appeared to be spreading as construction added more weight to the top. In a newspaper article in early February, 1999 , an official with MEM noted that there has not been significant movement in the past couple of months, and that he's satisfied the dam is solid. Work resumed on raising the height of the dam at the beginning of February.

2.3 BC's commitment environmental protection required by certificates further curtailed.

The government recently traded away one of their strongest tools for ensuring long-term environmental protection at the end of the mine's life, i.e., the mine reclamation bonds. In late February, 1999, the government waived reclamation bond payments for two years as part of a bailout package for the Huckleberry Mine.

John Errington of the MEM said in an email to EMCBC that by agreeing to the deferral of the security, the province accepts the possibility that public funds could be used to fund some of the reclamation costs.

The use of environmental securities as an economic and political negotiating tool represents a major breach of the public trust in terms of protection against environmental liability posed by poorly financed junior mining companies such as Huckeberry Mines Ltd (owned by Imperial Metals). This case sets a poor precedent and does not provide the public with much confidence that there will be environmental protection at potentially environmentally hazardous sites such as the Tulsequah Chief mine site, and implies that the public might have to bear the liability for small companies like Redfern.

April 8, 1999

Mr. Bryan Jack
Clan Member
Taku River Tlingit First Nation
Box 54, Five Mile Reserve
ATLIN, BC
CANADA
V0W 1A0

FAX COPY ONLY: 907-465-3265

ATTENTION: REPRESENTATIVE SCOTT OGAN
Co-Chair, House Resources Committee

RE: House Concurrent Resolution 4 (HCR 4)

Dear Representative Ogan

Now that some time has passed and I have had time to reflect on our meeting, I am writing to thank you and your committee members for how we, as members of The Taku River Tlingit First Nation, were treated with the utmost respect.

It was important to us that you and your committee members heard from us that the Taku River, which is the bloodline of our respective peoples, is being seriously threatened by the cumulative effects of the proposed Redfern Resources mine and 160 km road through the heart of our traditional territory. In addition, we were pleased to be able to bring to your attention the fact that we are currently negotiating a treaty with both the provincial and federal governments within Canada. As you are also aware, the provincial environmental assessment process is a stage-by-stage process and, aside from criticisms regarding the environmental soundness of that type of process, it is the assertion of our TRTFN government that the most basic environmental standards have not been met through the BC provincial environmental review. Consequently, the issuance of the project certificate was premature and we have decided that it was in our best interests, and the best interests of the Taku itself, for us to launch a court challenge to the provincial approval of the mining certificate. Our legal challenge will be heard in June and we expect a decision in September or October.

We understand that you and your committee have not yet voted on HCR 4 and continue to believe that it would best serve all peoples and The Taku which feeds us all if the House vote was no. We also understand that SCR 7 will soon be before your committee and we ask you once again to consider our testimony in voting on that matter.

In closing, during my testimony during the Senate Hearings on SCR 7, I urged the Senators to come and see/feel the land they were affecting through their decisions and I now extend the same invitation to you and your committee members. We, through The Nakina C.A.L.L. (Center for Aboriginal Learning & Living) would be pleased to arrange for you to experience The Taku with us anytime between April 19th and the first week of September. We will be on The Nakina by the 19th and welcome you to join us when we food fish for Steelhead during the last week of April! A visit can be arranged by contacting us at 250-651-7557.

GUNALCHEESH
(Thanks, with Respect)

Mrs. JR Jack for
Mr. Bryan Jack
Taku River Tlingit First Nation Clan Member

Redfern

Redfern Resources Ltd.
Box 40, Suite 900
999 West Hastings Street
Vancouver, British Columbia
Canada V6C 2W2

Tel: 604-669-4775
Fax: 604-669-5330

March 31, 1999

Cherie Rudolph
President
Taku River Recreation Association
P.O. Box 240295
Douglas, AK 99824
USA

Dear Ms. Rudolph:

At the recent hearings held in Juneau Bob Carmichael, our VP of Exploration, met Errol Champion who represented your association at the meetings. Bob obtained a copy of your letter to the Senate and House representatives and a copy of your earlier letter to the BC Environmental Assessment Office (EAO) in October 1997. I can assure you that there has not been any attempt by Redfern to ignore your interests or to avoid dialogue, though it appears that this is the belief held by many in Alaska.

Redfern received a copy of your letter in November of 1997 from the BC EAO along with numerous other individual and group submissions from the public meetings and review period. In discussion with the government regulators we were encouraged to provide official responses to the public concerns for consideration by the Project Committee (including Alaska reps) as a whole rather than sending out individual responses. We did this in December and January as the issues were tabulated. In retrospect, this approach probably worked fine as far as the Committee was concerned but did nothing to give you and your members any knowledge that your concerns were being addressed or even heard. I apologize for this oversight.

Although I believe Bob had an opportunity to provide some answers to Mr. Champion last Friday it may help if I take the time now to give you some specific responses to the questions you posed during the review.

In the body of your letter you wondered about a lack of dialogue during the assessment process. Because the project is located in Canada and is being permitted under the Canadian regulatory processes the transboundary and Alaskan public consultation was assumed to be coordinated through the Governor's office which was represented on the Project Committee. During the assessment of the barging alternative there was some dialogue with Alaskan fishing interests and lodge owners (Taku Lodge) as well as Juneau based contractors for water-level surveys of the river and inlet areas. We also had a public and government relations representative in Juneau, Paul Rysanowski, who did meet with some of your members at various stages during the assessment process - the name Rudy Ripley comes to mind - and Paul also attended one of your membership meetings in 1996. However, once the barging alternative was found to be too costly

for the project it was dropped from further assessment and the Company's studies concentrated instead on the road to Atlin. Apart from water quality issues, which were being addressed through on-going studies, the Company felt there was virtually no potential for changes or impact to the Alaskan side of the river. This was substantiated during the review and the ongoing discussions with Alaska state and US regulators - but apparently this was not communicated directly to your association.

With respect to some of your other questions:

Road construction:

The details of road construction timing are still being worked out and, in part, depend on approvals for final designs. Construction is tentatively scheduled for late spring of 2000 and we may have to revert to a two-season approach if logistics require it. Our final plans will depend on a number of factors including the timing of approvals, financing and contractor selection, as well as environmental and seasonal issues which you are well aware of. Currently our plans still call for moving some equipment to the site by barge to the Tulsequah/Taku confluence and then up to the old Polaris-Taku site before it would cross to the Tulsequah mine site. Some fuel would be transported at that time also in double walled storage vessels. This equipment would be used to build the airstrip for the mine which is located north of the minesite. Further fuel and supplies for mine construction operations and for the portion of the road construction north of the mine would be flown in via the airstrip. Storage of these materials would be governed by stringent spill prevention requirements and stable sites above Tulsequah River or storm floodwaters.

The bulk of the road construction headings would be supplied and mobilized from Atlin, BC, under current plans. Equipment and fuel for one heading may be pre-mobilized by a winter road constructed on the approved road right of way to the Sloko River. Details of the requirements for the winter road are still being worked on. Some sections will require the equivalent of full construction guidelines in order to ensure there is no soil erosion in the spring which could cause sedimentation. This and all other construction phases (road and mine) will have an independent environmental supervisor overseeing environmental protection measures and compliance. This requirement is a commitment made by the Company and is a stipulation of the Project Approval Certificate.

Impacts of Floods on Flannigan's Slough and lower Taku River:

I doubt that any Redfern representative would have denied that Tulsequah floods have an impact downstream. This is an undeniable natural phenomenon which occurs regularly and is essentially uncontrollable. On the other hand, Redfern has taken the impacts and extent of the floods into account in the current mine design to ensure that there are no mine-related additional impacts to those related to the natural flood events. Project components are all located above the flood influence. Planned discharges from the mine will occur after full treatment and within the specified permit criteria so that there is no impact downstream. A lot of care and attention has

been placed in design safeguards of supply, fuel and tailings storage to ensure that there are no spillage hazards. The tailings material itself is inert as a further precaution.

Use of Barges:

There are no plans to use barges on an ongoing basis, except for some initial placement of construction material and equipment mentioned above. Redfern would be happy to meet with representatives of your association prior to any planned barge movement to see if there are particular areas of concern or timing problems. I agree with your statement about the attempted designation of the Taku River as 'wild and scenic' and the multiple uses of the area both past and present. The disinformation spread by some of the environmental groups has been extended to other aspects of our project also - particularly on water quality and mine tailings. Both of these areas were the focus of enormous attention in the mine design and the project review and have more than met all of the standards.

Flights:

Construction and operations flights will primarily originate in Whitehorse or Atlin, BC. It is possible that Juneau may be used at certain times during construction if weather conditions are bad but this scheduling is impossible to predict at this time. Since most of the mobilized materials for air transportation will be at the Canadian sites it will likely mean that flights will be delayed if weather is bad rather than diverting to Juneau. Once the road is operational most supplies will arrive by road. Operational flights for crew changes will be converted to bus trips if weather precludes attempting a particular flight.

Controlled access:

The mine closure and decommissioning plan will require that the **entire** road be reclaimed and rendered unusable for access at the end of the mine life. A performance or security bond must be posted by the Company to cover this work prior to start of construction. This work will be comprehensive and will include removal of all bridges, culverts, restoration of slope and drainage profiles where possible and re-vegetation. This will eliminate any potential for use of the road from the mine end.

Water quality and Reclamation Bonding:

The mine site water quality/discharge permit will have similar provisions to those used to regulate mines in Alaska. In general, the BC and federal Canadian guidelines are more stringent. Redfern has not yet applied for the detailed Mines Act construction permits or the Discharge permit under the Waste Management Act so we still have to go through the detailed evaluation and approval of those permits. However, the work done to date has demonstrated that the proposed technology and designs will be suitable and adequate to meet these requirements. The Company will be required to post a reclamation bond to cover mine-site closure and contingency provisions prior to start of any construction. There will be normal spill response procedures and

reporting/clean-up provisions under the required permits. The nature and volumes of the proposed discharges and potential spillage issues are not of a magnitude to impact US waters. The tailings storage site has been designed to very high standards (1 in 200 year flood as a minimum) and has been estimated to be capable of withstanding twice that level. Based on hydrographic models, that would be equivalent to a 1 in 10,000 year flood.. Accordingly, an event capable of damaging the tailings impoundment would have much larger and incalculable impacts on the whole watershed and downstream areas to the extent that mine-related impacts would be imperceptible, especially since the tailings are non-toxic and inert material similar to the pulverized rock released daily in the thousands of tonnes by the melting glaciers feeding the northern Taku drainage basin. Contrary to some disinformation spread by preservation-minded opponents, the tailings facility is **not** located on the floodplain of the Taku river. It is situated in a side valley approximately 18 km (11 miles) up the Tulsequah valley from its confluence with the Taku. Reclamation plans on closure will re-contour the facility to a low mound in the side valley and revegetate it so that the land is returned to as near as possible original land use capability.

A water quality monitoring station was located at the border during the environmental assessment and will be continued as part of operational monitoring. This is in addition to the monitoring stations established in immediate proximity to the mine and mine infrastructure.

I hope that this letter will assist in re-assuring the TRRA that Redfern is a responsible and progressive mining company. We are intent on ensuring that the mine is a clean and well-regarded operation which will contribute to the economic health of the area without detrimental impact. We fully appreciate your interest in the area and would be happy to provide you with progress updates and answer questions if you need more information.

Sincerely,

Terry Chandler
President

cc: Errol Champion
Senator Drue Pearce
Representative Brian Porter

Redfern

Redfern Resources Ltd.
Box 40, Suite 900
999 West Hastings Street
Vancouver, British Columbia
Canada V6C 2W2

Tel: 604-669-4775
Fax: 604 669-5330

April 8, 1999

Representative Scott Ogan, Co-Chair
Representative Jerry Sanders, Co-Chair
Alaska State House of Representatives
Standing Committee on Resources
Room 124, State Capitol
Juneau, Alaska 99801
USA

Dear Sirs:

Re: Tulsequah Chief Project - Senate Resolution No. 7

Redfern Resources Ltd. has followed the progress of this resolution with great interest. We are very grateful of the elected representatives of Alaska who have participated in its development, demonstrating a clear understanding of this issue. Redfern has invested a huge amount of time, effort and money to study and design what we feel is a model mine operation. We are looking forward to the opportunity to deliver economic benefits to the region without harm to the local environment or to Alaskan interests.

The resolution describes succinctly the results of a long and involved evaluation process involving the public, First Nations and the governments of the State of Alaska, province of British Columbia, territory of the Yukon and federal counterparts in the US and Canada. When the project was approved in principle in March of 1998, Redfern was shocked to hear that Governor Knowles believed there were grounds for an International Joint Commission review. In respect to that request, a further 10 months were spent to specifically address stated concerns of Alaska and US agencies.

Redfern participated completely and willingly in providing technical information to the State and to Canadian and US authorities in the bi-lateral discussions between the governments. The results of those discussions have demonstrated two things: 1) there is no factual basis for belief that the project poses a danger to Alaskan resources or interests and 2) there are differences in permitting procedures between the two countries which ultimately arrive at the same level of environmental protection.

Canadian authorities have provided assurances that there will be no impacts on Alaskan resources and, in turn, Redfern has agreed to design, construct and operate the mine to meet these assurances. Additionally, Alaskan officials have been offered the opportunity to review ongoing data and information presented in support of the operating and licensing permits required for construction and operation of the mine and access road. Furthermore, Redfern has committed to a comprehensive suite of independent environmental monitoring measures during construction to

ensure that the project is built to the designed standards.

Redfern has the strong support of the local Canadian community of Atlin and a large base of support within the native community. Residents have recognized that the project can provide benefits and opportunity for year round employment without sacrificing environmental protection. This is sorely needed in this region of Canada. The fact that the mine development will also allow the effects of past mining to be reclaimed permanently to modern high standards is an additional benefit for the long-term preservation and quality of the environment in this area.

The project has suffered from detractors and opponents who have primarily objected to the necessity of building a road to the site. Much of the opposition is oriented towards preservation and setting aside a large area of BC from any resource development. We have determined that this opposition has been instrumental in pushing and lobbying for IJC intervention in due process in order to achieve these goals. It is unfortunate that this kind of special interest activity has interfered with the fair evaluation of the project on its own merits.

Redfern is committed to an open and honest development of this project. We have nothing to hide and a lot of pride in the mine's design. We look forward to continuing the progress that has been made to provide Alaskans and US officials with the technical information and assurances they have sought as the project proceeds through the remaining permits.

We urge you to pass the resolution to demonstrate Alaska's belief in fair treatment and due process for developments on both sides of our borders. Removal of the threatened IJC intervention will assist the Company to obtain the necessary financing to complete the acquisition of permits and demonstrate the soundness of the project to all concerned.

Thank you for your time and attention. I would be pleased to meet with you in person or appear before the House Resources Committee if you feel it would be appropriate and useful in this matter.

Yours sincerely,

Terry Chandler
President

cc: Rep. Beverley Masek
Rep. Ramona Barnes
Rep. John Harris
Rep. Carl Morgan Jr.
Rep. Jim Whitaker
Rep. Reggie Joule
Rep. Mary Kapsner
Sen. Drue Pearce
Rep. Brian Porter

BRITISH COLUMBIA RESPONSE TO ALASKA DEC WATER QUALITY CONCERNS

ITEM 1

"Monitoring plans for baseline data collection"

Monitoring of baseline water quality has already commenced through initiation of an Environmental Effects Monitoring plan in the spring of 1998 as per the recommendations of the Project Committee Report. This program includes monitoring of all infrastructure components, including the access road, as well as potential discharge sites and is the responsibility of Redfern Resources Ltd.. A report on the first year of monitoring results is in preparation and will be sent to DEC in three to four weeks. Further modifications are anticipated as data are interpreted and the program will continue through 1999 in advance of actual construction.

"Baseline water quality data (spring is a good time to sample)"

Baseline water quality sampling was initiated in May of 1994 and has been collected on a continuing basis since that time. Data for years 1994 through early 1997 were presented in the Project Report and made available to DEC and other Alaskan Agencies in July of 1997. Further sampling and data acquisition continued through 1997 and has been supplanted by the EEM program, referenced above, in 1998.

"Representative (predicted) effluent composition"

Representative (predicted) effluent composition was presented in the Project Report in 1997. This was obtained from analyses and pilot tests of process water from process evaluation studies. These waters were treated in the proposed water treatment plant with excellent results. Tests were also made of mixed process water and run-of-mine water with similar results. Predicted mixing zone calculations were presented in the Project Report available to DEC with further detailed work to be presented as part of the future Discharge Permit application under the BC *Waste Management Act* to be submitted prior to construction.

"Toxicity testing (pilot testing for acute & chronic toxicity with representative effluent samples)"

Toxicity testing of representative effluent for acute toxicity was presented in the Project Report (July, 1997) with LC96 100% survival for rainbow trout and *daphnia*. Chronic toxicity testing is pending.

"Risk evaluation, based on representative effluent and receiving environment, including biota"

Risk evaluation is pending completion of EEM program and will be included in the application for the Discharge Permit.

"Details and effectiveness of the treatment process, including how cyanide will be treated"

Treatment process details and effectiveness were described in the Project Report (op cit). This work included analysis of effective reduction of all metals and compounds of interest including cyanide.

"Mixing zone prediction, including adequate water flow throughout the operation seasons and effects on biota"

Mixing zone prediction was done in a preliminary fashion in the Project Report with more detailed analysis pending for the Discharge Permit application.

"Impacts from moving the discharge pipe to a second stream cannel (strategy if experiencing low flow at the initial point of discharge) ... frequires collection of additional baseline flow and habitat data"

Analysis of effects of moving the discharge site will be included in the Discharge Permit application.

"Water quality monitoring and management plans"

Water quality monitoring beyond the current EEM baseline program will be stipulated under the future Discharge Permit in order to track potential effects in the receiving environment.

"Groundwater quality and monitoring data for tailings disposal considerations"

Groundwater quality and monitoring for future tailings facility was presented in preliminary fashion in the Project Report based on measurements and samples conducted in the period 1995 to 1997. Further sampling was specifically recommended in the Project Committee Report and agreed to by Redfern as a commitment in the Certificate. This has been implemented in the ongoing EEM sampling program discussed above.

"Plans for control of the leachate from all the contaminated waste rock piles"

Control of leachate from all waste storage is an integral part of the current mine design and is discussed in the Project Report. All potentially acid generating waste (based on very conservative prediction methods) will be segregated on a lined pad with collection and treatment of run-off and leachate. This material is

planned to be returned to underground storage in the empty stopes as partial backfill for permanent safe storage on closure.

"Design plans for closure and reclamation"

Full details of the design, collection and treatment options for this material will be integrated in the pending BC *Mines Act* permit applications. Design plans for closure and reclamation were covered in concept in the Project Report. Details will be provided in the Reclamation Permit application prior to construction

ITEM 2

N/A

ITEM 3

GENERAL

"The Canadian approach to make project changes after starting operations causes us some concerns."

Response

The BC/Canadian approach is not structured so as to necessitate design changes during permitting nor after start-up. This impression may be the result of our responses to the many "what if" questions posed during the review and subsequent technical dialog. What we, as regulators, must do is cover off the inevitable risk associated with some project components with a requirement for contingencies which may involve changes to some systems. This is not believed to be very different from other jurisdictions.

SPECIFIC BULLETS

"Unless they perform baseline studies and gather data for potential project changes before the project starts, how will they have necessary information for the redesign of the project?"

Response

Again, we are not anticipating a wholesale redesign of the project. The geological, engineering and environmental review work completed to date has adjusted, refined and focused the project to its present scope. We agree, however, that any necessary contingencies must be covered by an appropriate baseline data set. Ongoing data gathering as referenced in Item 1 will fill this need.

"Will there be assurances that during the initial startup there will be no discharges that could wipe out the habitat?"

Response

As has been stated several times previously during the review, in the project report, during the November, 93 Vancouver meeting and in the follow-up correspondence, there will be no acutely toxic discharges allowed. None are anticipated. Contingencies will be in place to deal with upset conditions should they occur. The assurances associated with this stem from: a robust design as presented and tested in the project report supporting documentation; intensive monitoring; contingencies to cover any remaining risk and ultimately an effective enforcement deterrent to non-compliances.

"If changes are needed, it will be difficult to shut a project down for redesign and construction changes once project operations have started."

Response

The project utilizes standard treatment technologies which have proven reliable at other mining operations. Any changes are anticipated to be minor. However, if conditions develop where the discharges do not meet the legislated permit limits, and there is no defining supporting information available to us (and our referral agencies including Alaska DEC in this case) in the form of a permit amendment application, the continued discharge will be in non-compliance with the permit under the *Waste Management Act*. Each day in violation of the permit constitutes a separate count and is subject to penalties up to $1,000,000 per day.

Testimony of Don Weir, President of the
TAKU WILDERNESS ASSOCIATION
before the Alaska State Legislature on
Senate Concurrent Resolution No. 7

3-26-99

I am the president of the Taku Wilderness Association in Atlin, BC. We are a grassroots organization who oppose the reactivation of the Tulsequah Chief mine in the Taku watershed. We have serious reservations about the mine site, the location of the tailings pond, and other technical issues that we feel could lead to problems in the long term. Our main concern, however, is with the creation of a 100-mile road into the Taku. Aside from wilderness values and the closing off of other economic opportunities, the main issue is the lack of proper long-tern planning. To put it bluntly, there is NO PLAN.

This is not 1950, and to move into a large tract of essentially untouched land without a clear idea of what is in the best long-term interest of all the stakeholders from both sides of the border is foolhardy and dangerously irresponsible. Efforts are ongoing at the present time by the Taku River Tlingit First Nation to create a long-term management plan for the region, and this proposal by Redfern Resources and the provincial government to open up the area circumvents these local initiatives.

From the point of view of other stakeholders, the key question should be whether the assessment of this process properly addressed the short and long-term impacts of this project. Another question is whether the mitigation measures created by the provincial government to cover up flaws in Redfern's Project Report will adequately deal with long-term impacts. The best way to make this determination is to look at British Columbia's track record on other mining projects. The record does not provide much assurance.

We have been told by numerous government officials that due to severe budgetary cutbacks it will be difficult to properly investigate and remedy the inevitable problems that will come about from this project. Should stakeholders from both sides of the border trust that the BC government will take care of their interests? It's Alaska's call on that one, but to make an informed decision you need to be aware of the BC government's record.

Numerous lawsuits have been filed against the provincial government because of inadequate regulatory standards on past projects. The following will give you an idea of some of the problems with the environmental assessment of the Huckleberry and Kemess mines.

In the past, APPROVALS AND PERMITS have been ISSUED BY THE PROVINCIAL GOVERNMENT DESPITE A DEFICIENCY OF INFORMATION.

· During the Kemess environmental assessment, the company's mill site selection was deemed geotechnically acceptable on the basis of three boreholes. Not surprisingly, the

assessment turned out to be erroneous-the bedrock was not competent enough to support the mill. By the time this was revealed, however, the province had already granted a Project Approval Certificate.

· The province issued pre-production construction permits for the mine and mill site with woefully inadequate information. A proper evaluation of the newly proposed mill site had not been conducted by the province; the federal assessment of the project was not yet completed; the Fisheries Act authorization for permission to destroy 17 km of fish-bearing stream had not yet been granted by the federal Department of Fisheries and Oceans; there was no materials handling plan, sediment control plan, or effluent permits ;

· After a series of disastrous sedimentation problems leading to an eventual Pollution Abatement Order in July of 1997, it was acknowledged by provincial government that the problems were due, in part, to the fact that the government did not have guidelines for sedimentation control during the construction phase, nor did they require advanced approval of sedimentation or materials handling plans.

THE KEMESS and HUCKLEBERRY PROJECTS HIGHLIGHT THE INABILITY OF THE GOVERNMENT TO ENSURE COMPLIANCE WITH REGULATIONS and CONDITIONS SET OUT IN THE EA CERTIFICATES, PERMITS AND AUTHORIZATIONS.

The following is a condensed list of violations at the Kemess mine site:

· July 4 1997 - creek diversion is a VIOLATION OF the Water Act; sediment levels were in VIOLATION OF the Project Approval Certificate, Mines Act permit, and the Fisheries Act.

· July 16 1997 - a POLLUTION ABATEMENT ORDER was issued under the Waste Management Act, because construction activities were causing elevated levels of total suspended solids in Kemess Creek and its tributaries.

· as of Sept. 12 1997, the company had still FAILED TO MEET REQUIREMENTS of the July 16 pollution abatement order

· February 9, 1999 - FAILURE TO COMPLY with a January 29, 1999 order to raise the height of the tailings dam. A letter from the Ministry of Energy and Mines told the company that any delay in meeting the schedule would create a hazard, i.e., breaching of the dam and flooding of the valley downstream, would place the dam, workers and downstream environment at serious risk.

There were similar violations at the HUCKLEBERRY mine site:

· August 1996 - FAILURE TO PRODUCE water quality data; LACK OF Sediment Control Plan, even though it was a permit requirement;

· Sept. 1996- the Sediment Control Plan was submitted, but it was NOT ADHERED TO.

· June, 1997 - the company was OUT OF COMPLIANCE with Mines Act Permit because they began excavating East Zone Pit prior to submitting required Acid Rock Drainage information; many of the required monitoring reports were submitted LATE; in VIOLATION OF its Mines Act permit, the company constructed roads and a saddle dam out of potentially acid-generating materials!!

Finally, it appears that the tools used by the province to ensure environmental protection at mines sites are being traded away. Last month, the BC government (Job Protection Commission) waived their right to increase the reclamation bond payments for two years as part of a bailout package for the Huckleberry Mine. In so doing, the province accepted the possibility that public funds would have to be used to fund some of the mine's reclamation costs. This use of environmental securities as an economic and political negotiating tool represents a major breach of the public trust in terms of protection against environmental liability posed by poorly financed junior mining companies.

A more detailed written analysis of the problems with the BC assessment and regulation of Kemess and Huckleberry mines is available. It highlights additional potential problems that may be encountered at the Tulsequah Chief mine if the same lax regulations and monitoring occur with this controversial project.

The final question that I want to put forth is whether or not an IJC will address all of the concerns that residents on both sides of the border have on this project. I don' t have the answer to that question. But it's clear that a more thorough analysis of the controversial and flawed BC environmental assessment process that gave approval to the Tulsequah Chief project must come under closer scrutiny.

The judicial review initiated by the Taku River Tlingit First Nation will hopefully elucidate the way the province interfered with a proper assessment on this project. We ask that you reserve judgment on this resolution until the facts come out on this court case. There is too much at stake to do anything less.

Thank you for giving me the opportunity to speak.

Don Weir
Taku Wilderness Association

Lessons from the Environmental Assessment process of the South Kemess Copper/Gold Mining Project

The Kemess South Project is an excellent case study of the consequences of ineffective environmental assessment, certification, permitting, enforcement and monitoring.

1. PROCESS FLAWS

1.1 DECISIONS BASED ON LACK OF ADEQUATE INFORMATION

· During the EA process, the Project Committee accepted the company's selection for a mill site, despite the fact that the geotechnical adequacy of the site was determined on the basis of three boreholes. Not surprisingly, the assessment made on the basis of three boreholes turned out to be erroneous-the bedrock was not competent enough to support the mill. This was not, however, determined until after the company had received their Project Approval Certificate. If more detailed technical information had been provided, the appropriate mill site could have been selected DURING the EA review, and the process would have been far more credible.

1.2 PROVINCIAL AND FEDERAL ASSESSMENTS NOT COORDINATED

· The company then proposed to revert back to a mill site that had been one of the alternatives proposed during the EA process but was rejected early on for environmental and economic reasons.

· When informed of the proposed changes, the Department of Fisheries and Oceans (DFO) immediately asked the Canadian Environmental Assessment Agency to put the federal environmental review on hold pending an assessment of the new mill site. Before the federal environmental assessment of the project had been completed, however, the provincial MEI went ahead and issued permits for pre-production construction to begin, which included the relocated mill and facilities.

· Thorough studies were never properly conducted nor a proper evaluation undertaken of the alternative mill site. Clearly, the provincial government did not have enough information to assess competently the adverse effects of the mill site change, and there was no plan in place detailing how to mitigate or prevent potential adverse effects prior to issuance of the construction permit. The process was not open or accountable, since the MEI did not consider public or even federal input on the mill site change prior to issuing the permits.

1.3 Permits were issued by the provincial government despite a deficiency of information.

At the end of the BC EA process, there were too many information gaps to

have a clear idea of how the project was going to proceed. Yet MEI issued permits for the pre-production construction phase even though:
· there was no Mitigation Plan and Construction Phase Environmental Program
· the Fisheries Act authorization for permission to destroy 17 km of fish-bearing stream had not yet been granted by DFO ;
· the company had not finalized the Independent Supervisor Terms of Reference.
· a materials handling plan,
· a sediment control plan, and
· effluent permits from structures (tailings impoundments, open pits).

After the series of disastrous sedimentation problems leading to an eventual Pollution Abatement Order in July of 1997, it was acknowledged by provincial government representatives that the problems were the due, in part, to the fact that neither MEI nor MELP have guidelines that apply to the construction phase for sedimentation control, nor do they require advanced approval of a sedimentation or materials handling plans.

2. IMPLEMENTATION FAILURES

2.1 Changes to the Certificate led to a failure of the independent environmental monitoring program, with subsequent adverse environmental impacts.
· The Project Approval Certificate required Royal Oak to cover the cost of the environmental supervision program. However, MEI and Royal Oak later negotiated a bilateral agreement that the amount the company would pay would be capped at $100 000, after which MEI would cover the costs. Within four months Royal Oak's budget was spent, and so MEI assigned one of its employees to take on monitoring. During the second summer of construction, severe sedimentation problems were occurring all over the mine site; problems which, according to a DFO official, the Reclamation Inspector (through no fault of his own) lacked the necessary expertise to assess.

2.2 The Kemess project also points out the inability of the government to ensure compliance with conditions set out in the EA certificantes, permits and authorizations.
· August 1996 - during construction of the pit no soil salvage was carried out and that fill was placed directly on the topsoil, contrary to the soil salvage requirements of the permit. The report also notes poor maintenance of the Omineca Mine Access Road (OMAR), and resultant impact on the Sustut River
· September 1996 - serious sedimentation occurs in the Upper Sustut River, a valuable salmon spawning tributary of the Skeena, due to careless upgrading of the OMAR

· October - an Environmental Complaint was laid with MELP in by service men working at the mine. They made allegations of illegal burning of oil, improper storage of oil and heavy equipment crossing Kemess Creek, which were later substantiated by the Reclamation Inspector
· February 1997 - Reclamation Inspector stated that an aggressive program of seeding the disturbed areas along the road must be implemented prior to the growing season in mid-June. Hydro-seeding did not begin until August, by which time the growing season was practically over.
· March 3 - improper burning of refuse, improper refuse disposal (i.e., non-permitted wastes including solvents), improper storage of oil, illegal burning of oil
· July 4 - the diversion of a creek was in violation of the Water Act
- sediment levels were in violation of the Project Approval Certificate, Mines Act permit, and the Fisheries Act.
- the company failed to follow its mitigation plan, to install sediment control and runoff works; to begin seeding; to have proactive monitoring; to have appropriate expertise; to have appropriate authorizations; to submit plans and manuals for dams, diversion ditches and associated structures, and to make frequent monitoring data submission.
· July 16 - a Pollution Abatement Order was issued under the Waste Management Act, because construction activities were causing elevated levels of total suspended solids in Kemess Creek and its tributaries.
· August 9-16 - in blatant disregard of the Order, Kemess began construction work on the foundations of the tailings dam without any effective sediment control works in place.
- substantial exceedances of water quality objectives noted in Kemess Creek
· August 19 - lack of compliance with sewage permits
· Sept. 12 - as of this date, Kemess had still failed to meet almost every condition of the July 16th order: there were no plans on how to prevent and control sediment prior to the tailings pipeline road construction; plans for open pit/waste rock dump area sedimentation had not been received; reseeding efforts were inadequate.
· Sept. 24 - Kemess finally shuts down ongoing construction at the tailings pump house until runoff and seepage could be collected and pumped into a drainage ditch on the north side of the tailings pond
· Oct. 14-21 - less than one month after agreeing to remedy the situation, Kemess violates the agreement with MELP by pumping into the south drainage
MOST RECENTLY...
· February 9, 1999 - Royal Oak received a letter from MEM stating that the company had failed to comply with a January 29, 1999 order to raise the dam core crest in adherence to a minimum elevation schedule. The letter stated that any delay in meeting the schedule would create a hazard, i.e., breaching of the dam and flooding of the valley downstream, would place the dam, workers and downstream environment at serious risk.
- DFO expressed their own concerns in letters to the company and MEM. A

DFO official wrote to MEM: "you will recall that all federal and provincial agencies approval of this mine were contingent upon a zero release tailings system. We believe that a discharge from the tailings impoundment could have significant impacts on the environmental, and be a serious violation of the Fisheries Act. . . we are putting your Ministry on notice, and are considering issuing an Inspectors Direction to your Ministry, as a party who has contributed to the potential release of tailings water from the tailings impoundment as a result of relaxing freeboard requirements of the tailings dam from July 7, 1998 to Jan. 28, 1999."

As of Saturday, March 19, 1999, the required dam elevation had not been met (the target was 1437.5 m, the actual elevation was 1436.41 m). On March 22 a new plan was put forth by Royal Oak's engineering consultants, which stated that using a new design plan the tailings impoundment construction requirements could be met.

MEM gave the company until March 29 to get tailings dam elevation on schedule (if not by March 29). If they fail to do so, they will be ordered to stop mining/milling operations.

HUCKLEBERRY

1. PROCESS FLAWS

1.1 Inadequate information from the proponent led to significant delays in the EA process.

During the review of the Project Report submitted by Princeton, Huckleberry Mines Ltd. (HML), the Project Committee determined that the standard of information provided by Huckleberry in its application was not satisfactory.

· At a Project Committee meetings in Smithers, in August, 1995, an MEI official stated that the Huckleberry application was "the worst certificate application I've viewed "

· Project Committee participants in the ARD Working Group agreed that the ARD testwork and related predictions in the Application were "insufficient" or even "useless." Due to the poor quality of information provided in the application, the ARD Working Group was assigned the task of bringing the mine proposal into compliance. The reanalysis of the ARD data caused significant delays to the process.

· Lack of accurate fisheries data to determine Fisheries Compensation Plans and Cumulative Effects also caused delays in the EA process. HML's Project Report stated that "there is no fish habitat in the majority of the reaches of the streams that will be affected by the mine." On the

contrary, a MELP biologist concluded that the streams did contain plenty of fish habitat.

· Not only were delays caused by problems with the original data, but a failure to provide information in a timely manner also created delays. For example, the acid-base accounting (ABA) data in the Project Report, submitted in May, contained numerical errors, but HML did not revise the data until September.

· Delays continued into the permitting phase. Review and approval of ARD prediction/prevention information was held up because the company was late submitting their Permit Application document.

1.2 Information deficiencies may cause potential environmental problems

HML experienced problems due to deficiencies with the initial inventory studies.

· Based on the original inventory studies, it was predicted that there would be sufficient construction materials (i.e., waste rock till) to build the dam. However, it was recently determined that there is a more mineable ore than originally thought, which means that there is less waste rock (one million tonnes less) than estimated. The new design may pose problems (environmental and/or procedural) because HML is proposing to build the impoundment dam from tailings (cyclone) sand.

1.3 Cumulative Effects not adequately assessed.

A true Cumulative Effects package could not be completed for the Huckleberry Project because the company would not commit to a location for their port facility. The location of the port in Stewart, B.C., was not announced until 15 months after Certificate for development was issued.

2. IMPLEMENTATION PROBLEMS

2.1 Non-compliance issues highlight the need for a stronger government commitment to enforcement.

· August 1996 - Effluent Permit for the construction phase was non-existent, and there was no intent to develop any legal permit regulations; water quality data had not been received, despite the Interim Reclamation Permit requirement that water quality monitoring data be reported monthly; as of this date, HML had no Sediment Control Plan, even though it was a permit requirement

· Sept. 1996 - the Sediment Control Plan was submitted, but it was not adhered to.

· June, 1997 - HML began excavating East Zone Pit prior to submitting ARD prediction/prevention information (required in Mines Act Permit Application); many of the required monitoring reports were submitted late; reporting on ARD was inconsistent and late; and monthly construction reports were typically submitted at least three to four weeks following the month of reference; in violation of its Mines Act permit, HML constructed

roads and a saddle dam out of potentially acid-generating materials!!

When there are continuous acts of non-compliance with permits or certificate specifications, governments should step-up their enforcement activities. It is within the provincial government's powers to "halt construction, operation, modification, dismantling or abandonment activities until the proponent obtains a project approval certificate, or complies with conditions of a project approval certificate." Furthermore, "In the event of non-compliance with an order made under the Act, the minister may apply to the Supreme Court for an order to comply.

2.2 Structural problems with tailings impoundment

In the summer of 1998, the company, halted construction of their tailings dam after it recorded unusual movements (as much as 400 mm or 16 inches) in the structure. The safety of the tailngs pond dam has been called into question by Glenda Ferris, who notes that water is flowing out of impoundment from between the bedrock and the till - but in the original design the impoundment was not supposed to have any seepage. A report by AGRA Earth and Environmental, released in November, highlighted that the lower fill in the dam appeared to be spreading as construction added more weight to the top. In a newspaper article in early February, 1999 , an official with MEM noted that there has not been significant movement in the past couple of months, and that he's satisfied the dam is solid. Work resumed on raising the height of the dam at the beginning of February.

2.3 BC's commitment environmental protection required by certificates further curtailed.

The government recently traded away one of their strongest tools for ensuring long-term environmental protection at the end of the mine's life, i.e., the mine reclamation bonds. In late February, 1999, the government waived reclamation bond payments for two years as part of a bailout package for the Huckleberry Mine.

John Errington of the MEM said in an email to EMCBC that by agreeing to the deferral of the security, the province accepts the possibility that public funds could be used to fund some of the reclamation costs.

The use of environmental securities as an economic and political negotiating tool represents a major breach of the public trust in terms of protection against environmental liability posed by poorly financed junior mining companies such as Huckeberry Mines Ltd (owned by Imperial Metals). This case sets a poor precedent and does not provide the public with much confidence that there will be environmental protection at potentially environmentally hazardous sites such as the Tulsequah Chief mine site, and implies that the public might have to bear the liability for small companies like Redfern.

ALASKA MINERS ASSOCIATION, INC.

Testimony Before House Resources Committee

SUBJECT: HCR-4, Regarding Tulesquah Chief Mine

Thank you Mr. Chairman.

My name is Steve Borell, I am the Executive Director of the Alaska Miners Association and I am testifying on behalf of the Association.

Thank you for inviting the AMA to comment on House Concurrent Resolution 4, regarding the Tulesquah Chief project.

The Alaska Miners Association, as well as the mining industry in both Alaska and British Columbia, has followed the exploration and permitting of the Tulesquah Chief project for several years. The original Tulesquah Chief Mine operated from 1951 until 1957 and closed at that time due to low metal prices. The company Redfern Resources Ltd obtained an option for the property in 1987 and their exploration determined that there are sufficient reserves that would make it economically feasible to reopen a mine in the area. The project contains what is called a polymetalic ore that contains Zn, Cu, Ag, Au, and Pb.

Redfern began the permitting process in 1994 and then in 1995 British Columbia enacted a new mine development and permitting law. This new law has been heralded throughout Canada as being very comprehensive and stringent and based on the best science available.

It is my understanding that the new British Columbia mine permitting process involves a general approval-in-principle, followed by the detailed design, whereas the permitting process in Alaska defines more of the details prior to any approval. There are advantages and disadvantages of each approach but the end result is the same.

However, the issue at hand is whether or not the International Joint Commission (IJC) should be the vehicle for mediating the differences between the two permitting approaches and providing assurance that the Taku fisheries will be adequately protected. We do not feel that involving the IJC will be helpful in answering the technical questions regarding the Tulesquah Chief project.

Three primary reasons for not utilizing the IJC come to mind. **First**, the IJC is not primarily a technical body but, rather, an appointed body and because of this there is concern that the IJC members on both sides may be carrying agendas other than simply the technical evaluation of the project. **Second**, using the IJC process will likely take two or more years to complete. **Finally**, because it is not a technical body, the technical questions will not be answered and we will be at the same place we are now.

It has been and remains the position of the Alaska Miners Association that the project should be judged and evaluated on the basis of its technical merits. We continue to recommend that all

parties step back and take a new look at the technical aspects of the project. Both British Columbia and Alaska should bring some "new faces" to the table; people not in the center of the past process; people with experience in permitting mines. To ensure that the project receives the broad-based technical evaluation that is needed, people from all three Departments, i.e. DNR, DEC, and Fish & Game, should be involved in the process. This group should be tasked with review of the project to ensure that it is technically sound and will not adversely impact Alaska's natural resources.

Thank you for the opportunity to comment on this Resolution.

RAVEN ENVIRONMENTAL SERVICES

NATURAL RESOURCES CONSULTING • PERMITTING • TECHNICAL SUPPORT
628 BASIN ROAD, JUNEAU, ALASKA 99801
907-586-2459

February 12, 1999

FEB 12 1999

To: Representative Scott Ogan

From: Paul Rusanowski

Subject: Tulsequah Chief update

I thought you might be interested in the attached information concerning a new campaign being launched by the environmental community that I just received from Redfern Resources. It clearly shows the lengths that the environmental community is willing to go to stop any and all development.

The Tulsequah Chief project has a relatively small economic impact on Alaska; but it is substantial for Skagway and AIDEA's ore terminal. Given our present economic conditions, it would be helpful if all opportunities for economic benefit were pursued on an equal footing.

There are no genuine issues to resolve through the IJC process but the State continues to push for it. Differences are perceived as largely process related; and British Columbia and Canada follow a significantly different permitting process than the US and Alaska. You can see from this document how the environmentalists plan to use native sovereignty issues, the State of Alaska Governor's Office, and regional comprehensive planning to block the project. It is significant to note that Redfern itself is targeted for action to prevent investment and cause financial harm.

I have also included the latest round of correspondence between the State of Alaska, US State Department and the Province of British Columbia.

Please make use of this information as you feel is appropriate. If you would like more information from Redfern Resources please contact Terry Chandler at 604-669-4775; or Shawn Magee at Optimum 604-662-4560, Redfern's public relations firm.

Message points for 3rd Party Briefings

The document

- Redfern has uncovered a planning document that lays bare a cynical campaign by international environmental groups to stop the Tulsequah Chief Project – in fact, to halt all economic development in the project area.
- The U.S. and Canadian groups involved in this campaign are the same well-connected, well-financed coalition that sank the Windy Craggy Project in 1993.
- What the document illustrates is American environmental groups, utilizing money from American foundations and contacts with American government officials to stop a duly reviewed and approved project in Canada.
- The stated objectives of the campaign are:

1. Stop the Tulsequah Chief Mine
2. Stop the mine in a way that provides financial and economic deterrents to future developments in the project area.

- The tactics identified in the plan include:

1. Leveraging U.S. government officials to utilize the International Joint Commission (IJC) process to delay and/or stop mine development.
2. Attacking Redfern in the marketplace, by utilizing the IJC threat to scare off existing and potential investors, and limiting the company's ability to raise funds to develop the mine.
3. Providing financial and legal support for factions of the local native community (TRTFN) predisposed to challenge the B.C. and Canadian government's environmental review and permitting of the Tulsequah Chief mine.

- Key players in the campaign include:

1. Ric Careless of BC Spaces for Nature;
2. Alan Young of the Environmental Mining Council of BC;
3. the Washington D.C.-based American Rivers, which maintains close connections to the Clinton administration through VP Al Gore.

- These three groups also comprised the core of Tatshenshini Wild, the group that successfully fought against development of the largest copper reserve in North America (Windy Craggy) in the early 1990s.
- The Tulsequah Chief coalition has identified a budget of $170,000 for the first year of its campaign.
- The document identifies more than 20 major U.S. foundations that they expect to fund the campaign, including the Rockefeller Bros. Fund, the Turner Foundation and others.

TO SAVE THE TAKU RIVER

A Coordinated Campaign Strategy Outline

Prepared by:
Michael Magee
Sierra Legal Defence Fund
(604) 685-5618
magee@sierralegal.org

In coordination with:
Taku Wilderness Association
Nakina Centre for Aboriginal Life and Learning
Sierra Club of British Columbia
Environmental Mining Council of B.C.
BC Spaces for Nature
David Suzuki Foundation
Northwest Institute
The River League
American Rivers
Southeast Alaska Conservation Coalition
Walter & Duncan Gordon Foundation

THE CAMPAIGN NEED

The Taku wilderness is under threat of pending developments that impact on the lives and well being of the Taku River Tlingit First Nation (TRTFN) and the ecological integrity of one of North Americas last remaining magnificant wilderness areas.

An aggressive, thoughtful and strategic campaign is urgently needed to stop the immediate threats to this area and to establish a plan for the longer term protection of its environmental values and of the people in the region.

In a serious effort to achieve these goals a coordinated strategy was organized in Vancouver of September of 1998 amongst key groups in the U.S. and Canada dedicated to preserving the Taku wilderness..

Tha groups who participated in this meeting and will continue to work on this project include:

Taku Wilderness Association
Nakina C.A.L.L. (Centre for Aboriginal Life and Learning)
Sierra Club of British Columbia
The River League
BC Spaces for Nature
Sierra Legal Defence Fund
Northwest Institute
Environmental Mining Council of British Columbia
American Rivers
Southeast Alaska Conservation Coalition

Groups who were not in attendance at the meeting but will play a role in a coordinated campaign include:

The David Suzuki Foundation
Earthjustice Legal Defence Fund

The purpose of this document is to:

- Provide a multi-organization, coordinated campaign outline that illustrates the specific goals, objectives, strategies, tactics, organizational structures, relationships and funding that will be required to win.

Background

The Taku River watershed is an 18,000 square kilometer (4.5 million acre) unroaded tract of land near the town of Atlin in northwestern British Columbia, Canada. This immense watershed, equivalent in size to the state of Massachusetts is the traditional homeland of the Taku River Tlingit and contains

habitats representing five biogeoclimatic zones ranging from high plateaus to lush coastal temperate rainforests. It contains some of the richest wildlife habitat on the west coast of North America and is home to grizzly bears, moose, caribou, black bear, mountain goat, salmon and many species of migrating birds. These species thrive here in large numbers due to the area's essentially untouched nature and the fact that it is only accessible by float plane, river boat or by foot. This region is the highest producer of salmon on the southeast shore of Alaska and northwest British Columbia.

This spectacular area is now threatened by a proposal to construct a 160 km access road needed to reopen the Tulsequah Chief Mine located on the Tulsequah River just upstream from B.C.'s border with southeast Alaska. The road is needed in order to transport ore to the shipping tidewaters of Skagway. Proponents, Redfern Resources Ltd., claim that the Tulsequah Chief Mine will provide nine years of profitable mining activity. While this scenario has appeal for some factions, the mine would introduce massive quantities of Acid Mine Drainage to the watershed, endangering water quality and aquatic habitat for salmon and other wildlife. The proposed road also threatens the survival of a recovering woodland caribou population and threatens to disrupt grizzly bear habitat. The cumulative effects of this road would be increased hunting and poaching pressure, roadside developments, spur roads to new mining claims, and logging of the fragile boreal forest and globally endangered temperate rainforest. Wildlife experts both within and outside of government disagree with the proponent's claims that impact on wildlife in the Taku will be minor.

Current Status of Development

Redfern Resources is continuing to push ahead aggressively with their plans to establish the Tulsequah Chief Mine. There are several obstacles to this which include:

- An review by the International Joint Commission (IJC). The United States has requested that this issue be referred to the International Joint Commission for investigation as there are serious threats it will effect trans-boundary waterways. As this document is being written there has been no formal agreement from Canada refer it to the IJC, however, Canada has requested another meeting with the United States to review the agenda for eventual referral to IJC. The State Department has responded aggressively and is becoming increasingly agitated with the Canadian Federal Government's delaying tactics, this in turn has served to delay some of the Special Use Permits (SUP) into December of 1998.

- Redfern Resources share prices are sinking and the company is increasingly unstable. This vulnerability is more evident when the financial assumptions of the Tulsequah Chief Mine proposal are examined more closely. Given the

current economic condition s there is high probability of exploiting this vulnerability and exposing the mine as financial non-viable.

- There continues to be the possibility that the Taku River Tlingit First Nation (TRTFN) will challenge the provincial mine approval process. Should this take place it would pose a serious threat to the future development of the mine.

Campaign Goals and Objectives

1. Stop the Tulsequah Chief Mine.

2. To stop the mine in such a way that it ensures a developmental moratorium on the Taku Watershed.

3. To ensure that a comprehensive Land Use Planning process is completed that is agreeable and inclusive of the Taku River Tlingit River First Nations (TRTFN).

Strategies

1. Stop the Tulsequah Chief Mine

The strategic objective in the early stages of this campaign will be to stop the mine from proceeding in such a way that establishes a moratorium on the area for further development. This will be achieved through several tactical components including:

- A coordinated trans-boundary political effort focusing on the US Congress and key legislators within Alaska and Washington DC. Given the mines potential negative impact on a highly profitable Alaskan fishery and waterway it is highly probable that the U.S. Congress can be leveraged to take further defensive actions against such a threat.

- A comprehensive economic analysis of Redfern Resources. This would include closer scrutiny of Redfems shareholder interests, current mineral prices and the underlying financial calculations they have used to substantiate the mine proposal. This data will be critical in establishing with the financial community and policy makers of the financial weaknesses of the Tulsequah Chief mine proposal and other similar initiatives that are being explored in the Taku Watershed.

- Solidarity and support for the Taku River Tlingit First Nation (TRTFN). The TRTFN have been considering taking further legal and political action based on their aboriginal rights to oppose the approval of the mine. The TRTFN must be given adequate capacity support and resources to defend any such actions should they be taken.

- The International Joint Commission. While it would be the objective to stop the mine development long before any IJC reference is undertaken, the reference itself needs to be used to increase profile of the issue. Further pressure needs to be brought to focus on the Canadian External Affairs to make a final decision in referring this matter to the IJC. Most importantly, the process of moving the complaint to a formal investigation by the IJC must be used as a key media opportunity for heightened exposure on the Taku and to support the above noted initiatives

2. Ensure a Development Moratorium

The Tulsequah Chief proposal has generated heated debate and attention in the local community, within the TRTFN, with the B.C. government and the U.S. One of the process issues that has been given the most attention is the weaknesses in the provincial approval process for the mine. This has underscored the significant need to develop a comprehensive land use plan that considers the socioeconomic future and ecological integrity of the Taku wilderness. To complete this a moratorium on development will need to be established. It is the objective of this campaign to stop the Tulsequah Chief Mine in a manner that provided ample financial and economic deterrents to future developments until a land use plan is agreed upon.

3. Ensure a Taku Land Use Plan

The success of establishing a comprehensible protected area in the Taku will depend largely on the longer term work and creditability of the Land Use Plan. Significant capacity support will have to be established for key groups including the TRTFN to complete work related to scientific, legal and social economic research.

For the purposes of this proposal, we will focus on the first two points. A planning committee will be established to work on the longer term details on requirements of a Land Use Plan. This will be the subject a future proposal.

Campaign Structure

There will be several components to the campaign structure to ensure quick campaign development, decision making and proper tactical assignments. The structure will be as follows:

- Taku Network: The Network will include all organizations and individuals who wish to support the campaign initiatives overall. This will be an information sharing network with organizations receiving regular briefs and being called upon for specific actions when necessary.

- The Taku Steering Committee: This will be the key groups with a more direct involvement and interest in the Taku campaign. The Steering Committee will assist in guiding overall priorities and policy directions. The members of this committee will include:

  Taku Wilderness Association
  Nakina C.A.L.L. (Centre for Aboriginal Life and Learning)
  Sierra Club of British Columbia
  The River League
  BC Spaces for Nature
  Sierra Legal Defence Fund
  Northwest Institute
  Environmental Mining Council of British Columbia
  American Rivers
  Southeast Alaska Conservation Coalition
  The David Suzuki Foundation
  Earthjustice Legal Defence Fund

- The Executive Committee. This committee will be a smaller group from the Steering Committee that will set the strategic direction of the campaign, make decisions on a regular basis and coordinate the activities of the key organizations. The Executive Committee members include:

  Don Weir, Taku Wilderness Association
  Alan Young, Environmental Mining Council of BC
  Ric Careless, BC Spaces for Nature
  Mike Magee, Sierra Legal Defence Fund

The campaign will have established several working groups to develop the critical strategic components. These working groups will be a combination of groups and individuals from the Network, assigned to groups depending on their area of expertise. Each working group will have a lead organization.

NOTE: For the purposes of this proposal, working groups are assigned "global" budget estimates. Specific proposals for working groups would be submitted by the lead organization. These proposals may vary from the global estimates

depending on the scope of the plan produced by the working group. The working groups include:

- COORDINATION (ie. the Executive Committee):
  This working group will largely be the work of the Executive Committee and a staff coordinator. Lead organization will be the Environmental Mining Council of British Columbia with support from the Sierra Legal Defence Fund. Budget estimate: $30,000 (CDN)

- TRANS-BOUNDARY STRATEGIES:
  This working group will include BC Spaces for Nature, American Rivers, Southeast Alaska Conservation Coalition, Earthjustice Legal Defence Fund, Sierra Legal Defence Fund, Taku Wilderness Association. Lead organizations will be BC Spaces for Nature and Taku Wilderness Association. Budget estimate: $40,000 (CDN)

- MEDIA AND COMMUNICATIONS:
  This group will assist in cultivating major media stories, executing media strategies for specific initiatives, training and capacity support for key Network organizations. The group will include David Suzuki Foundation, Sierra Legal Defence Fund, The River League, Sierra Club of BC, Earthjustice Legal Defence Fund. Lead organization will be Sierra Legal Defence Fund. Budget estimate: $30,000 (CDN)

- ECONOMICS:
  This group will initiate a review of the underlying financial assumptions of the Tulsequah Chief mine and the real costs and benefits of development in the Taku wilderness. The work will include an examination of Redfern Resources. The group will include BC Spaces for Nature, Taku Wilderness Association, Environmental Mining Council of BC. Lead organization will be the Environmental Mining Council of BC with support from BC Spaces for Nature.
  Budget estimate: $40,000 (CDN)

- COMMUNITY DEVELOPMENT AND LIAISON:
  This group will focus on cultivating relationships and understanding in the local community. Work will include on-going relationship building and support for the TRTFN and the Nakina CALL and communications with local industry and government officials. It may, from time to time, include capacity support for the TRTFN. The group will include the Taku Wilderness Association, Nakina CALL , the River League and the David Suzuki Foundation. Lead organizations will be the Taku Wilderness Association and the Nakina CALL.
  Budget estimates: $30,000 (CDN)

- RESEARCH:

This group will initiate the longer term planning and research that will be required for a proper land use planning process. In the initial stages the group will identify the key socioeconomic, legal and scientific intelligence that will be required to accomplish such a plan. Working group members will include the Nakina CALL, Northwest Institute, Sierra Club of BC and The River League and the Taku Wilderness Association. Budget estimates will be developed as the necessary elements of the research are identified. It's expected this part of the overall strategy will be the subject of future funding proposals in later stages of the campaign.

WORKING TIMELINES:

For the purposes of this proposal the time lines are broken down into immediate and short term modes. Medium and long term plans will be developed through the working groups and distilled through the Executive Committee for future presentation

IMMEDIATE TERM: November 1998 through to January 1999 (3 months)
The goal in the short term is to establish secure funding for the working groups and to initiate the strategy outlined in this document. Bridge funding will be necessary to hire a coordinator, provide an office and for capacity support to a few key groups such as the Taku Wilderness Association. This will be the work of the Executive Committee with lead initiative from Sierra Legal Defence Fund.

The working groups will have completed their medium and long term campaign plans by the end of January 1999.

SHORT TERM: February 1999 through to June 1999 (6 months)
By this point a coordinator will be well in place, funding secured (or at least identified). The Trans-Boundary Working Group should have well under way it's tactical moves related to the International Joint Commission, Congress, and the Alaskan government. The Economics Working Group should have completed it's initial review of the financial assumptions of the mine, the investor community, shareholder activity and other related economic factors. The Media Working Group should have significant work completed on cultivating major media stories on the Taku including CBC and CTV national news and the NY Times and Washington Post.

Draft
Taku Campaign Fundraising Strategy
December 1998

Note: All grant amounts in US dollars except where noted. All project goal amounts in CDN dollars.

A. Coordination: EMCBC is lead organization
Goal: $48-60,000
First Priority

Endswell Fund - $15,000 CDN committed
EMCBC core - $10-15,000 CDN available
Weeden Fdn - $15,000
Lichen Fdn - $10,000 CDN

B. TRTFN Land Protection Plan (while not central to campaign, critical to ground 1st Nation and strengthen the community's commitment to legal challenge of Redfern permit.)

Goal: Short-term $2,000 for consultant to work with TRTFN to develop proposal.
Long-term $200-300,000 over 2-3 year period to complete the plan.

Robt Schad Fdn- Bolton, Ontario
Hewlett Fdn
Packard Fdn
W.Alton Jones Fdn
Rockefeller Bros. Fund
Paul G. Allen Forest Trust?????

C. TRTFN Litigation and Community Liaison: SLDF is lead organization and fiscal agent for the TRTFN.
Goal: $180,000 of which $150,000 is the total estimated cost of Art Pape's representation of the TRT. $30,000 for Atlin community nurturing.

Litigation:

Brainerd Fdn	- $20,000 March 1999 docket
Endswell Fdn	- $10,000 CDN committed
W&D Gordon Fdn	- $20,000 CDN
W.Alton Jones Fdn	- $30-50,000
Lannan Fdn	- $50,000/yr. Possible 2 yr Approach?
Wilburforce Fdn	- $30,000
David Suzuki Fdn	- $30,000 CDN

Community Liaison:

Tides donor funds	- $20,000
True North Fdn	- $10,000
Turner Fdn	- $10,000 ???

D. Media and Communications
Lead group: SLDF
Goal: $30,000 for direct media work and training for TRTFN and other core actors.

Lichen Fdn	- $10,000 CDN
Kongsgaard/Goldman Fdn	- $10,000
Surdna	- $20,000 ?

E. Community Support
Lead groups: Taku Wilderness Association (TWA) and Nakina CALL
Goal: $30,000

Fdn for Deep Ecology	$10,000 – Contact John Davis
W&D Gordon Fdn	$20,000
Kinney Watershed Fdn	$10,000 US committed 12/98 to TWA

F. Transboundary Strategies
Lead groups: BC Spaces for Nature and TWA
Goal: $40,000 *Does not include support for US groups in SE Alaska

W&D Gordon Fdn	$20,000 CDN
Weeden Fdn	$10,000
K/G Fdn	$ 7,500
True North	$10,000
Lazar Fdn	$ 7,500

G. Economics/Corporate financing strategy
Lead groups: EMCBC + BC Spaces for Nature
Goal: $30,000

Fdn for Deep Ecology -	$10,000
Tides Fdn - donor funds -	$10,000
Lichen Fdn	$10,000

GLOBAL BUDGET

NOTE: Lead organizations will submit funding proposals for specific components of this coordinated campaign. The budget figures presented here reflect the general needs that will be created by lead organizations taking on their respective work in coordination with other groups. These budget figures may alter once the Working Groups finalize their work plans in the immediate term. The global budget was derived to establish a coordinated pattern for submission of proposals to funders from lead organizations.

COORDINATION	$30,000
TRANS-BOUNDARY	$40,000
ECONOMICS	$30,000
MEDIA AND COMMUNICATIONS	$40,000
COMMUNITY DEVELOPMENT and LIASION	$30,000
RESEARCH	future pending

TOTAL GLOBAL BUDGET (1 year) $170,000

Redfern

Redfern Resources Ltd.
Box 40, Suite 900
999 West Hastings Street
Vancouver, British Columbia
Canada V6C 2W2

Tel: 604-669-4775
Fax: 604-669-5330

TULSEQUAH CHIEF PROJECT
ENVIRONMENTAL ASSESSMENT PROCESS AND AFTERMATH

In September, 1994, Redfern Resources Ltd. entered the Mine Development Assessment process in British Columbia by filing an application to re-develop the former Tulsequah Chief Mine in northwest B.C. The application was subsequently transitioned to the B.C. Environmental Assessment Act (BCEAA) process in July 1995. The BCEAA review of the Tulsequah Chief Project involved the governments of B.C., Canada, Alaska and the United States, as well as public and First Nations stakeholders. Key milestones in the review process included:

September 1994	Application
February 1995	Public Review of Application
July – Nov 1995	Draft Project Report Specifications developed
Nov 26, 1995 - Jan 30, 1996	Public and Project Committee review draft Project Report Specifications; formulation of Final Project Report Specifications
Nov 25, 1996	Redfern submits Project Report to Project Committee for screening to determine if Report meets Specifications
Nov 25, 1996 - Jan 21, 1997	Project Committee completes screening and does not accept Report for review pending resolution of deficiencies for environmental studies related to barge access and First Nations traditional land use studies.
March 14, 1997	Redfern submits Application to amend Project by removal of barging as an access option due to technical and economic infeasibility.
March 15 to June 18, 1997	Project Committee reviews and accepts Amendment application
July 4, 1997	Redfern submits revised Project Report for screening by Project Committee.
August 1, 1997	Project Committee unanimously accepts Project Report for full review.
Sept 8 - Nov 6, 1997	Project Report undergoes full public review. Redfern holds advertised public consultation meetings in Atlin, Whitehorse, Skagway and Juneau.
Nov 7, 1997 - Feb 13, 1998	Project Report reviewed by Project Committee – 19 meetings of the full Project Committee and/or sub-committees are held to review resolution of project issues.
Mar 5 - Mar 13, 1998	Draft Project Committee recommendations report circulated to Committee members for comment, incorporating resolutions to issues from Committee and sub-committee review findings.
Mar 19, 1998	Certificate granted by BC Government

POST-CERTIFICATE EVENTS

In late March 1998, Alaska Governor Tony Knowles referenced the Tulsequah Project in a letter to Secretary of State Madeleine Albright, in which he called for additional review of the mine proposal through the International Joint Commission (IJC). Mr. Knowles' letter made it clear that the he perceived there to be inadequate information and/or insufficient review conducted to assess the technical risk of the Project on shared resources, namely fish and waters.

In response to the statement of concern, the B.C. Environmental Assessment Office ("EAO") and federal Canadian agencies, through the auspices of the federal Department of Foreign Affairs, visited Washington, DC on April 16, 1998 to meet with Alaskan and federal US government representatives. The meeting was held to answer American concerns, where possible, and to explain the differences between the American and Alaskan permitting process relative to the Canadian and BC provincial review and certification process. As a result of the meeting a commitment was made to provide a follow-up document addressing specific issues and providing further clarification for Alaskan and US agencies.

Following further discussions between various US and Alaskan technical personnel and their Canadian federal and provincial review agency counterparts, a document was compiled by the BC EAO to answer the specific technical concerns raised. This response document was forwarded on May 21, 1998 to the US State department, US EPA, and the Governor's Office, State of Alaska. Copies were also sent to Canadian Department of Fisheries and Oceans, Canadian Environmental Assessment Agency (CEAA) and External Affairs in Ottawa.

On August 28 the US State Department sent a letter to Canadian Foreign Affairs requesting that Canada agree to an IJC review of the Tulsequah Project. A second round of bilateral government meetings were held in mid-November, and a further series of response documents have been forwarded in December to demonstrate the lack of substantive technical issues. A final meeting to present the response to Alaskan-US concerns over stability of the tailings area was held on December 23, 1998. It is our understanding, from discussions with the participants, that the US technical representatives were largely satisfied with the tailings design and stability assessment responses.

For additional information on the content of the May Alaskan response document please refer to:
http://www.eao.gov.bc.ca/PROJECT/MINING/TULSEQUA/US_Concerns/toc1.htm

Redfern

Redfern Resources Ltd.
Box 40, Suite 900
999 West Hastings Street
Vancouver, British Columbia
Canada V6C 2W2

Tel: 604-669-4775
Fax: 604-669-5330

Key Facts
Environmental Assessment Review

- The Tulsequah Chief Project received its Project Approval Certificate from the British Columbia provincial government on March 19, 1998. Signed by B.C.'s Minister of Energy, Mines and Northern Development (Dan Miller) and Minister of Environment, Lands and Parks (Cathy McGregor), the certificate grants approval for the mine's proponent, Redfern Resources Ltd., to re-open the historic underground mine and build an access road to Atlin, B.C. for the transportation of concentrates from the mine to the port of Skagway, Alaska.

- The government's decision was based on recommendations put forward by the Tulsequah Chief Project Committee, which was formed in November 1994 by the B.C. Environmental Assessment Office (EAO) to conduct the necessary review and make recommendations on the project. The committee was comprised of representatives from the following groups:

Provincial Agencies:
Environmental Assessment Office
Ministry of Environment, Lands and Parks
Ministry of Energy and Mines
Ministry of Small Business, Tourism and Culture
Ministry of Transportation and Highways
Ministry of Forests

Federal Agencies:
Department of Fisheries and Oceans
Canadian Coast Guard
Environment Canada

Local Government:
Atlin Advisory Planning Commission

First Nations:
Taku River Tlingit First Nation

Yukon Territorial Government:
Dept. of Community and Transportation Services

Alaska State Government:
Division of Governmental Coordination

United States Federal Government:
Environmental Protection Agency
Department of Interior

- The environmental assessment of the Tulsequah Chief Project was comprehensive and exhaustive. During the 3½ year review period, the following issues were studied in detail:

- Geology
- Geotechnical structures
- Mine development and mining methods
- Mineral processing and metallurgy
- Access alternatives and access management
- Climate and precipitation
- Hydrology
- Water chemistry
- Water quality
- Fish and fish habitat
- Other aquatic life
- Vegetation
- Wildlife and wildlife habitat
- Culture, sustenance and archaeology
- Land use
- Water management
- Tailings management
- Air quality and noise control
- Materials and waste management
- Acid rock drainage
- Socioeconomics
- Accidents and malfunctions
- Cumulative effects
- Environmental supervision and monitoring
- Reclamation, decommissioning and closure

- The Tulsequah Chief Project Committee indicated in its majority report that all technical and policy issues related to the project are considered manageable, and that the project is not expected to cause significant adverse environmental effects.

- British Columbia's review process is thought to be one of the world's most rigorous standards of environmental assessment in the world. The Tulsequah Chief Project assessment met the requirements of the B.C. Environmental Assessment Act (BCEAA) as well as the Canadian Environmental Assessment Act, under the Canada-British Columbia Agreement for Environmental Assessment Co-operation.

- As one of the first mines to be comprehensively studied under BCEAA, which was introduced in 1995, Tulsequah Chief may be the most exhaustively studied mining project in B.C. history. Since the environmental assessment review of the project began in 1995, Redfern has:
  - Invested an estimated $8 million in environmental, socioeconomic and engineering studies;
  - Held 10 public open house meetings in Atlin, B.C., Whitehorse, Yukon, Skagway and Juneau, Alaska, in addition to numerous meetings with stakeholders;
  - Established a community office in Atlin to provide information and liaise with the local community;
  - Worked closely with the Taku River Tlingit First Nation to identify the native community's priorities and study archaeological, cultural and traditional use issues in the project area.

- Extensive public and First Nation consultation above and beyond that required under the BCEAA occurred at each stage of the review process, including:
  - Three formal public review periods;
  - Stakeholder input in project committee meetings following the end of the public review period;
  - 10 open houses;
  - 300 public submissions;
  - Ongoing meetings with the public and stakeholder groups;
  - Provision of intervener funding to third parties to participate in the review;
  - Hiring of an Aboriginal Liaison Officer to allow for information exchange with Taku River Tlingit directors and members.

- During the review process, the government granted four extensions to the legislated time limits for review of the project, in order to allow additional time for the public and the Tulsequah Chief Project Committee to complete the assessment of the project.

- The next step for Redfern is to obtain the routine permits required in order to begin construction and eventual operation of the mine.

- Redfern is currently involved in discussions with joint venture partners to secure project financing. The company estimates that capital investment in the Tulsequah Chief Project will total $160 million, including $148 million for construction costs and an additional $12 million for working capital.

-30-

For more information:
Janice Loukras
(604) 669-4775

TONY KNOWLES
GOVERNOR

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 6, 1999

Mr. Strobe Talbott
Deputy Secretary of State
U.S. Department of State
2201 C Street, NW, Room 7220
Washington, DC 20520-7512

Dear Mr. Talbott:

Thank you for the Department of State's December 4 letter to Minister Higginbotham, Embassy of Canada, reiterating the United States' concern that no prejudicial action be taken regarding development of the Tulsequah Chief mine while our bilateral discussions continue. In addition, I am writing to let you know that the State of Alaska continues to have strong concerns about the proposed Tulsequah Chief mining project in northwest British Columbia. I seek your assistance in referring this proposed project to the International Joint Commission (IJC) for further review.

The Tulsequah Chief mine is a proposed underground base/precious metals mine located 40 miles from Juneau, Alaska in the Tulsequah River valley, in northwest British Columbia, Canada. Redfern Resources Ltd., the project proponent, seeks to construct an 80-mile road through the Taku River watershed to reopen a previously closed underground mine. The project site is located about 18 miles upstream from the B.C./Alaska border. The proposed mine is located on the Tulsequah River, a tributary to the Taku River, which is a transboundary river under the International Boundary Waters Treaty Act.

The Taku River, and its near pristine watershed, is a prolific producer of all five species of Pacific salmon. These fisheries are fundamental to Southeast Alaska's subsistence, sport, and commercial fishers, and the communities in which they live. The Taku River is also a transboundary river under the Pacific Salmon Treaty with Canada, and fishers from both sides of the border have benefited from joint salmon enhancement projects. By putting salmon habitat at risk, the Tulsequah mine project also puts at risk this successful program to conserve and sustain salmon. As you know, the allocation of this important

salmon fishery has already been the source of difficulties between Canada and the United States.

Alaska has reviewed all key Tulsequah Chief mine project documents and has participated in numerous project meetings over the past four years. We have, on numerous occasions, made our concerns clear; but they have largely been ignored. The most recent project meeting, held in Vancouver in mid-November, ended with an apparent acknowledgement on the part of Canada that our outstanding concerns were legitimate and deserving of attention through appropriate scientific and land use studies. In spite of this acknowledgement, outstanding concerns have not been resolved.

The state is now in an untenable position. Canada has acknowledged the need to gather basic information on key aspects of mine siting, development, and operation, yet refuses to acknowledge this new information may indeed point to potential critical flaws. Our views appear irreconcilable; and, as such, we believe the matter is suitable for referral to the IJC, as we have maintained since my letter to Secretary Albright last March.

In addition, it has come to our attention that while we participate in bilateral negotiations with Canada, the mine/road permitting process continues to move forward. British Columbia appears poised and ready to issue a special use permit that would allow road construction. We find these permitting actions distressing. Most recently, the preparations for building a winter road, which crosses our joint watershed, are proceeding in spite of the December 4 letter from the State Department to the Canadian Embassy clearly stating the U.S. position that no action should take place on the ground until there is a mutually agreeable conclusion to ongoing discussions. To our knowledge, this is the first time in IJC history that permitting for a project has continued while the project is under review for an IJC referral.

Not only are the Tulsequah Chief mine issues fully ripe for IJC review and recommendation, we are at this impasse just as the IJC is expanding its role to include major watershed review. Specifically, the U.S. and Canadian governments have recommended the IJC look at the possibility of forming binational boards for several major watersheds along the joint border, including the Taku River. We believe IJC involvement is imperative *before* the Tulsequah Chief project irrevocably changes the watershed. These irrevocable acts would offend and preclude the very purposes the two nations are trying to achieve through a watershed approach.

I would be happy to provide you further detail to ensure that Alaska's level of interest and concern is clear. I believe it is time for the Department of State to firmly urge Canada to work with the United States in a joint IJC referral of the Tulsequah Chief mine development. I look forward to hearing from you about this important matter.

Sincerely,

Tony Knowles
Governor

cc: Victor Comras, Director, Office of Canadian Affairs
Brooks Yeager, Deputy Secretary, Department of the Interior
Willie Taylor, Director, Office of Environmental Policy and Compliance Department of the Interior
Mary Beth West, Director, Office of Oceans and Environment Department of State
Pete Christich, Director, Office of International Affairs Environmental Protection Agency

January 22, 1999

BRITISH COLUMBIA

Right Honourable Jean Chrétien, P.C., M.P.
Prime Minister of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Prime Minister Chrétien:

On September 29, 1998, I wrote to you expressing my firm belief that the Tulsequah Chief Mine can be developed in an environmentally sound and responsible fashion, consistent with the conclusions of three and one-half years of review under British Columbia's and Canada's statutory processes for environmental assessment. I emphasized the cost of the threat of a referral of the Tulsequah Chief Mine to the International Joint Commission (IJC) – not only to this project, but also to the broader prospects for responsible development in British Columbia and elsewhere in Canada.

Following the environmental assessment (EA) review, over nine months of comprehensive, cordial and constructive discussions on specific technical aspects of the project have been completed. These discussions involved officials of the Governments of British Columbia, Canada, the United States and the State of Alaska. Meetings were held in April 1998 in Washington, D.C.; on November 16 and 17, 1998, in Vancouver; and on December 23, 1998, in Seattle. Technical information has also been exchanged on several occasions. During these interactions, officials have responded to the technical concerns identified by the United States by indicating in detail how British Columbia and Canada have or will address these concerns – in nearly all cases along the lines proposed by U.S. and Alaskan officials.

The remaining points of disagreement relate to matters of difference in statutory processes for environmental assessment and development of such projects, and to timing of issuance of permits. They do not relate to questions of environmental standards. Indeed, the various parties are substantially in agreement on this matter; B.C./Canadian standards generally meet or exceed equivalent Alaskan and U.S. standards.

.../2

Office of the Premier

Mailing Address:
PO Box 9041 Stn Prov Govt
Victoria BC V8W 9E1

Location:
Parliament Buildings
Victoria

It is therefore my strong belief that this matter can and must be brought to a close, in the interests of moving ahead with orderly economic development in the northwestern part of our province.

Despite the progress made on technical issues and the good relations maintained between our officials, I have learned that the Office of the Governor of the State of Alaska continues to press for a referral to the IJC. This action appears to be based on inaccurate and misleading information.

Concerns over loss of salmon habitat and fish mortality are unfounded. It has been made clear to U.S. officials that the underlying principles established by the Department of Fisheries and Oceans and the Province's Ministry of Environment, Lands and Parks and applied to this project are: zero fish mortality, zero loss of habitat. The claim that Alaskan concerns have been largely ignored is simply wrong; indeed, written agreement on technical issues and commitments for further action which accord with recommendations of the U.S. participants (including Alaskan representatives) have been made by British Columbia and Canada on every issue identified by the U.S.

The harmonized EA review has allowed British Columbia and Canada to conclude that there are no critical flaws in the general design of the project. Further investigation of all elements of the project will take place at subsequent detailed design and permitting stages. In the unlikely event that these investigations reveal a significant problem, British Columbia has committed to take appropriate action to ensure applicable federal and provincial environmental standards are met and maintained, including, if necessary, declining the authorization of further development activity.

While these technical discussions with the U.S. were underway, B.C. has been obliged to meet the requirements of its statutory permitting and authorization processes in response to the proponent's applications to proceed with the project. The U.S. has repeatedly been invited to participate in these processes, but to our regret has consistently declined. It should be noted that no construction activity has begun to date, and the Province is not aware of immediate plans to proceed. Approval to proceed with any construction activity, including on the access road, will require further detailed data collection and design.

.../3

Nonetheless, Alaska appears to have concluded, based on information of questionable accuracy, that it is now in an untenable position and finds itself obliged to press the Department of State to urge Canada's participation in a joint IJC referral.

British Columbia and Canada have made extensive efforts to address U.S. and Alaskan concerns. Our harmonized EA process has concluded that the project poses no significant transboundary threat and can proceed to the next stage of our review process. British Columbia is obliged by provincial law to meet the requirements of our statutory processes in response to applications for further permitting.

While British Columbia remains committed to full and open cooperation with all concerned parties, I must reiterate the Province's view that a referral to the IJC is unwarranted. I urge your Government to instead seek explicit assurances from Department of State that the U.S. is prepared to continue the dialogue we have maintained over the past nine months by working within British Columbia's and Canada's statutory processes to ensure that our mutual interests in respect of the environment are taken into account as the project progresses.

I look forward to the continued support of your Government in bringing closure to this most important matter.

Sincerely

Glen Clark

Glen Clark
Premier

pc: see attached list

G LTR TO ADDRESSEE
TES TO:

DEPARTMENT OF STATE
WASHINGTON

'99 JAN 27 P5:34

January 27, 1999

S
P

-JB
S
A
S
S

Dear Governor Knowles:

I am writing in reply to your letter of January 6 regarding British Columbia's Tulsequah Chief mine.

(EW) The Department of State, the Department of the Interior and the Environmental Protection Agency fully share Alaska's deep concern about the potential adverse effects that reopening the Tulsequah Chief might have on the Taku River watershed and the salmon fisheries there. Federal and State of Alaska agencies have cooperated closely over the past ten months in presenting our concerns to the Governments of Canada and British Columbia and seeking the proper remedial actions.

The U.S. side has been willing to try to settle these issues directly with the interested parties, to see if our concerns can be met. In so doing, however, we have made clear to Canada our expectation that no action will be taken on the project that would prejudice this matter while it remains open between us. We have reiterated that we would proceed to a reference to the International Joint Commission (IJC) should such prejudicial action take place.

Upon learning that the British Columbia permitting committee was meeting to consider the granting of an access road construction permit, we immediately sought clarification from the Canadian government. We reminded the Canadians that construction on the road would be among the actions that we would consider prejudicial. Since then we have been assured by British Columbian and Canadian federal officials that the permit being considered for the road will be conditional on the mining

The Honorable
Tony Knowles,
Governor of Alaska,
P.O. Box 110001,
Juneau, Alaska 99811-0001.

company first carrying out further investigation of the environmental impact of the construction. Together with Alaskan officials and other federal agencies, we will review closely the conditions set by the permit process to ensure that they are acceptable from the standpoint of impact on the shared watershed of the Taku. We also are seeking further assurances that construction on the road will not be undertaken while U.S. concerns about its impact remain unresolved.

As a result of the November meeting in Vancouver and an additional technical meeting in Seattle in December 1998, the U.S. experts have received additional technical and environmental information concerning the project. Federal and state agencies are assessing this information. We will remain in close touch with your office as we work together to press for resolution of U.S. concerns regarding the Tulsequah Chief.

I welcome your thoughts on this matter at any time, and hope you will not hesitate to contact me in the future.

Sincerely,

Strobe Talbott
Acting Secretary

FAX COVER SHEET

DATE: _____

PHONE: _____

TO: STEPHANIE

FROM: KIM

SUBJECT: _____

COMMENTS: CONFIDENTIAL

This document is 3 page(s) excluding this cover sheet.

Reply to: (907) 586-1476 (fax)
(907) 586-1776 (voice)

Subject: Fwd: ANC PFC Testimony
Date: Thu, 18 Feb 1999 12:14:08 -0800
From: Cliff.Argue@AlaskaAir.com, Susan.Mellin@AlaskaAir.com
Organization: Alaska Airlines
To: trust@ptialaska.net

Kim, as we discussed/Susan

Here is the "final" version of my testimony at tomorrow's hearing.

Bob--Please note company position. I understand Kim at AACA, while officially staying neutral, may be doing some behind the scenes lobbying against PFC's at ANC. No action needed now, but you may want to be alert at the next Board meeting.

Cliff

PFC Testimony.doc	**Name:** PFC Testimony.doc **Type:** Download File (application/msword) **Encoding:** base64

TESTIMONY OF

CLIFFORD T. ARGUE
ALASKA AIRLINES

BEFORE THE

ALASKA STATE LEGISLATURE

JOINT HEARING

SENATE TRANSPORTATION COMMITTEE
AND
HOUSE TRANSPORTATION SUBCOMMITTEE

February 18, 1999

Mr. Chairmen and Members of the Committees:

My name is Clifford Argue. I am Staff Vice President of Properties and Facilities for Alaska Airlines and also serve as Chairman of the Anchorage/Fairbanks Airlines Airport Affairs Committee, an organization representing the some 25 airlines who have signed operating agreements at and serve the two airports. My comments today reflect the position of Alaska Airlines as well as several other members of the committee including Reeve, Delta, Northwest, Fed Ex, United and American, some of whom you will also be hearing from directly.

I would like to commend your committees for your interest in Passenger Facility Charges (PFC's), and for holding this hearing today.

We support the imposition and use of PFC's, at the $3 amount, as an appropriate funding source for airport projects which meet the statutory and regulatory criteria of safety, security, capacity, noise mitigation, or enhancement of competition AND which have been otherwise reviewed and approved by the airlines as necessary. There is a very well defined airline consultation process set forth in the PFC law and regulations which must be followed by the airport operator separate and apart from any approval required in the airline/airport operating agreements.

The Terminal Expansion Project at Anchorage International Airport is certainly one for which PFC funding makes sense. Most of the airlines would endorse the imposition and use of PFC's to help fund this project, either through direct capital payments or to help offset debt service on the $179 million in revenue bonds already issued or the forthcoming additional $25 million to be issued in the near future to bridge the FAA Letter of Intent.

Further, there are various other projects at Anchorage and some at Fairbanks as well that would be worthy candidates for PFC funding to reduce the impact on airline rates, fees, and charges paid to the airports. These projects include planned airfield, ramp, and terminal work at both locations.

You have heard and will continue to hear that Alaskans are already paying PFC's everytime they travel out-of-state, and none of this money benefits State DOTPF airports. This is very true. In the rest of the country, some 300 airports serving all sizes of communities have PFC's in place with a total collection estimated at more than $23 BILLION over the next 20 - 25 years. ANC and FAI are among the only airports of their size not collecting PFC's. In state, passengers departing Juneau and Ketchikan airports are now paying $3 PFC's.

Despite initial concerns by some airlines and communities, there has been no hard evidence that the addition of PFC's to the ticket cost has made any difference in air travel demand, even in those markets where the personal auto, bus, or train are reasonable transportation alternatives.

PFC's, at the current $3 level, used correctly and with prudence, are a good funding source for justified airport projects, allowing the user - the passenger - to pay directly for the facilities enjoyed. PFC's were contemplated in the process of developing the plan for the Anchorage Terminal Expansion. Now is the time to begin the formal application process with the airlines and FAA to get PFC's in place as quickly as possible.

Thank you for the opportunity to offer these comments. I'll be glad to answer any questions you may have.

FAX TRANSMITTAL SHEET

STATE OF ALASKA
TONY KNOWLES, GOVERNOR

Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

PHONE: (907) 465-3500
FAX: (907) 465-3532

Please deliver to: PAT CARTER Location: _____

Fax number: 3872 Phone number: _____

Number of pages including transmittal sheet: _____

Comments: STROBE TALBOTT 's RESPONSE

_____

Date: 2/18 From: MATTHEW Phone: 3939

ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 FAX: (907) 563-9225 Telephone: (907) 563-9229

December 16, 1998

Honorable Tony Knowles
Governor
State of Alaska
Capitol Building
Juneau, AK 99801

Dear Governor Knowles,

Thank you again for speaking at the Northwest Mining Association. Throughout the remainder of the conference I heard many positive comments about your speech. Your presence at the conference and your speech set a very positive tone for Alaska. This was in sharp contrast to the very negative view mining companies have of some other western states. I trust that you and your staff enjoyed the event also.

After such a positive experience as the NWMA conference, it is unfortunate that I need to bring a more serious issue to your attention. It appears that Alaska's opposition to the Tulesquah Chief project is about to become a major international incident. I know from your past comments to me that you honestly believe the Tulesquah Chief project constitutes a serious threat to salmon stocks. However, it is our concern that you may not have been given all the relevant facts in this matter.

I first learned about the latest political escalation of the Tulesquah Chief issue last week. Since then I have done some additional investigation of the issue. Here are some of the facts as I now understand them:

1. The mine review and permitting process used for Tulesquah Chief is a new process and this project is among the first major mines to be permitted under it. This process was developed over several years and is considered to be the best, most effective, most stringent, etc. ever used in Canada. This process has been touted throughout Canada and internationally as how environmental permitting should be handled and is considered to be at least as thorough as the U.S. permitting process.

2. Many see the Tulesquah Chief issue as political fallout from the B.C./Alaska "fish wars."

3. Canadians see Alaska's opposition to the Tulesquah Chief as an affront to Canadian sovereignty.

4. The Canadians point to the recent meeting in Vancouver as an indication that Alaska is not interested in addressing the technical facts of the project. They point out that *with the possible* exception of one person from DEC, no one familiar with the technical aspects of the project were

involved in the meeting. Represented at the meeting were: US State Department, 2 persons; US Fish & Wildlife Service, 3 persons; EPA, 3 persons; ADF&G, 2 persons, DEC, 1 person. No one was present that was acquainted with or would understand the mining, geotechnical, engineering, etc. aspects of the project.

5. It is also the view of B.C. officials that, even though project owner Redfern Resources Ltd. spent over $100,000 answering Alaska's questions about the project (in addition to the several million dollars spent on environmental studies and the permitting process), Alaska has not reviewed or seriously evaluated those answers.

6. The Tulesquah project will clean up currently existing historic acid rock drainage and will seal all such rock in mined-out underground workings.

7. Several Canadian provinces are now becoming concerned and energized over the Tulesquah Chief issue. It is their concern that any industrial activity in Canada that is in a watershed which flows into the US will become a target for environmental extremist challenge through the International Joint Commission. This would include resource development activities as well as farming and any other industry or municipality. If an activity 10 miles inside Canada (Tulesquah) can be challenged, they are concerned that activities 20 miles, 50 miles, 80 miles, etc. inside Canada could also be challenged anywhere along the U.S.-Canada border.

8. Some officials in Canada believe that American Rivers, Sierra Club Legal Defense Fund (now known as Earth Justice) and Vice President Gore are involved in this issue, just as they were in blocking the Windy Craggy project.

9. Members of Parliament from several provinces are preparing to raise this issue in the House of Commons in the near future.

As stated earlier, you may not have all the facts in this issue. We urge that the Tulesquah Chief project be given a new and thorough review by staff that understand mining, acid rock generation and control, construction of tailings impoundments, avalanche hazards, etc. If the Tulesquah Chief project is allowed to become an international incident, it will be to the detriment to our relationship with our closest neighbor and long term friend and to the detriment of the mining industry in Alaska. A significant part of the new mineral investments occurring in Alaska are by Canadian companies and an international incident between our countries would make Canadian investors very skeptical of supporting such investments.

We felt that it was important to communicate our concerns in this matter to you directly. If there is any way we can be of assistance in this matter please contact me.

Sincerely,

Steven C. Borell, P.E.
Executive Director

TAKU RIVER RECREATION ASSOCIATION

P.O. Box 240295
Douglas, AK 99824

March 21, 1999

Senator Drue Pearce
Alaska State Legislature
Capitol Building
Juneau, AK 99811

Representative Brian Porter
Alaska State Legislature
Capitol Building
Juneau, AK 99811

Dear Senator Pearce & Representative Porter:

Our organization represents over 130 recreation cabin and lot owners and users of the Taku River. Several members were introduced to the Taku river by their parents and have river background and experiences dating back more than fifty years. TRRA members are very familiar with the history of the various mines that have operated on both sides of the border in the Taku valley.

When the previous owners of the Tulsequah Chief announced plans to evaluate the potential for re-opening the mine fifteen years ago, we established and have maintained contact with them to insure current communications. Our group has continually stated that we neither support nor oppose the mine. The project is located in Canada and the approval of all permits is their responsibility. We have asked Redfern at several public meetings and by letter (copy attached) to please address our concerns about downstream water quality. To date, we have never received a response. Redfern or any operator of the Tulsequah mines must be prepared to insure the environmental quality of the river as it flows through Alaska. We do not want to experience a situation like the soil contamination at Skagway's waterfront. Alaska had no opportunity to secure a commitment or ownership of any environmental problems stemming from the Anvil mine had no responsibility to assist the state in dealing with these problems.

Before adopting resolution SCR NO.7 or HCR NO. 4, we request the legislature's support in urging Redfern Resources to answer the water quality issues important to the cabin owners on this side of the border. American Rivers are pushing hard to obtain a "Wild & Scenic River" designation on the Taku because of downstream concerns. We are opposed to this effort but it would help if Redfern would improve communications and not remain cavalier to our questions. The Taku River has been a major commercial trade and recreation route into the interior for hundreds of years and we want to keep it that way.

Sincerely

Cherie Rudolph

Cherie Rudolph
President

Cc: Members of the Alaska Legislature

TAKU RIVER RECREATION ASSOCIATION
P.O. Box 240295
Douglas, AK 99824

October 28, 1997

Mr. Norm Ringstad
Project Committee Chairman
Environmental Assessment Office. Second Floor
836 Yates Street
Victoria, B.C. V8V 1X4

REF: Tulsequah Chief Mine Project

On behalf of the members of the Taku River Recreation Association, we thank you for coming to Juneau on October 3rd with officials from Redfern Resources Ltd. to explain the current status of their plans to reopen the mine. The TRRA members represent the 130 plus property owners and users of the Taku river below the border. Because the project is located in Canada, we do not intend to take a position on the permit under review, but after the presentation, we do have several questions and concerns we would like to raise.

While the mine location and the road will lie in Canada, the water flow heads toward the U.S. border and is in Alaska in less than five miles. We wonder why there has been no contact or dialog with any property owner below the border? Our members have years of local experience on the river and many remember when the mine was operating in the 1950's. Local knowledge should be useful in understanding the impacts of the annual Tulsequah floods-especially on Flannigan's slough: on fish and wildlife migration patterns and on navigation upon the river itself (just to name a few). Why has the Alaskan side of the Taku river been excluded from any dialog during the preparation of the environmental assessment?

Additional questions are:

1. How and where will the equipment be staged that will build the road? Will it be flown in by helicopter in pieces and reassembled at various road headings? How will the fuel be hauled into the project before the road is complete? Officials indicated that Juneau would see minimum impacts during operation of the mine, but nothing was said about the impacts during the construction phase.

2. The impacts of the annual Tulsequah floods do affect Flannigan's slough and the lower Taku river. The Redfern presentation discounted the significance of these floods and stated that impacts on Flannigan's and other areas below the confluence of the Tulsequah and Taku would not be addressed. The Alaska border is 85 ft. above sea level which means the mine site will be over 100 ft. All liquid discharges, both natural and operationally created, will head directly into the Taku and twenty miles downstream to tidewater. After many years of

experience on the river, our members respectfully disagree with your current position and would ask that the impacts be addressed.

3. Will there be occasional uses of barges originating on the U.S. side? Where will they stage? What are the sizes, type of propulsion and planned frequency? If they are used, even during the construction phase, how will accelerated bank erosion be reduced? The river on the Alaska side is not as "wild & scenic" as some would like the public to think. There are 135 deeded lots and over 40 recreation cabins built between the border and the Taku Lodge, a span of about ten miles. Alaskan's have been using this area for a variety of recreational purposes for more than sixty years and the Tlingits sailed up and down the river for hundreds of years. The Taku river valley is not an untouched, seldom visited area as claimed by the project opponents.

4. What is the frequency and nature of flights originating in Juneau and flying up the valley? Often our coastal weather conditions may make Juneau the only "open" airport. Is Juneau a backup for routine flights or only in the case of emergencies?

5. Redfern should not overlook the need to control access to the road at the lower end (mine site), especially after the project is ended. During mine operation, we assume access will be controlled, but what happens after the mine is reclaimed. Boats could easily haul "four wheelers" to access the road at the mine. Will the entire length of the road be removed to prevent passage by any type of motorized vehicle?

6. Finally, what financial instrument will be required (such as a performance bond) to insure fiscal resources are available to clean-up or correct problems that might occur on the U.S. side of the Taku river as a result of mine operations? Where will water quality monitoring stations be located on the Alaska side? Where there is a difference in water quality standards between the U.S. and Canada, which regulations will prevail?

Thanks for giving us the opportunity to comment on Redfern's plans and communicate our concerns and questions. We look forward to their responses.

Sincerely yours,

Cherie Rudolph
President

cc: Membership of TRRA
Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young
Alaska Dept. of Fish & Game
Alaska Office of Governmental Coordination
U.S. Forest Service
Community Development Dept. - City & Borough of Juneau

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HCR 4

Revision Date: 3-23-99
Title: Tulsequah Chief Mine
Sponsor: Speaker Porter
Requester:

Dept. Affected
BRU
Component
Component Serial No.

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES [ ]						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

No Fiscal Impact

Prepared by Lorali Meier, House Resources Aide Phone 465-3715

Lorali Meier Phone

Date 3-23-99

ALASKA STATE LEGISLATURE

SPEAKER OF THE HOUSE BRIAN PORTER

Sponsor Statement

House Concurrent Resolution 4

Tulsequah Chief Mine

HCR 4 supports continued cooperation with British Columbia in working towards environmentally responsible resource development on the Tulsequah Chief Mine. The resolution further urges Governor Knowles to withdraw the request for a referral of the project to the International Joint Commission under the Boundary Waters Treaty.

The Tulsequah River basin has been an active mining area since the 1920's. The downstream surroundings of the Tulsequah and Taku Rivers have continued to produce healthy runs of salmon throughout mining activity.

The owners of the Tulsequah Chief Mine have gone through extensive environmental research and consultation for three and a half years. This process included numerous public meetings on potential local and transboundary impacts. The ministries of Canada and British Columbia have graciously notified the permitting agencies of Alaska and the United States of their findings.

The permitting process used for the Tulsequah Chief Mine is a new process that has been developed over several years. The Canadian government considers this process to be the best and most effective ever used in Canada. This process has been internationally touted as how environmental permitting should be handled. It is considered to be *at least* as thorough as the Alaskan/U.S. permitting system.

The government of British Columbia found that after more than three and a half years of public comment and review by numerous permitting agencies, there were no overwhelming environmental concerns that could not be adequately addressed in the subsequent individual permitting processes. On March 19th, 1998, following comment by a 13 member international committee, the B.C government issued the overall environmental assessment certificate.

HCR 4 demonstrates the Alaska State Legislature's support for the sound, responsible, development of the Tulsequah Chief Mine through the Canadian permitting process.

Session: State Capitol, Juneau, Alaska 99801-1182 • Phone: (907) 465-4930 Fax: (907) 465-3834
Interim: 716 West 4th Avenue, Suite 300, Anchorage, Alaska 99501 • Phone: (907) 269-0155 Fax: (907) 269-0154

ENVIRONMENTAL ASSESSMENT OFFICE

TULSEQUAH CHIEF PROJECT

TECHNICAL ISSUES RAISED BY US AGENCIES

BACKGROUND - OCTOBER 1998

In the context of the government-to-government discussions planned for Vancouver on November 16th and 17th, this paper provides more information and explanation of how issues raised by U.S. review agencies have been resolved or are known to be resolvable during the next stage of federal and provincial statutory permit and approval application review and decision. Also, at the Vancouver meeting Canada and B.C. request clarification and further explanation by key U.S. review agencies regarding issues raised, in order to provide a focused agenda for proposed further technical discussions.

This response document has been compiled by the British Columbia Environmental Assessment Office, with the input and assistance of:

British Columbia Ministry of Environment, Lands and Parks (BC-MELP);
British Columbia Ministry of Energy and Mines (BC-MEM);
Department of Fisheries and Oceans (DFO); and
Environment Canada (EC).

It should be noted that in general terms the working relationships between British Columbia and Canadian federal agencies and their counterparts in the U.S. (both Alaska and U.S. federal) can be characterized by cooperation and professionalism. This has been the case for the overall EA reviews of the SNIP, Eskay, Sulphurets, Premier Silbak mines, as well as the Tulsequah project. In all project reviews and permitting, British Columbia and federal Canadian agencies have taken into consideration the potential for transboundary water quality and fisheries issues during permit application reviews, follow-up monitoring and compliance assessment. Continual efforts are made to ensure information exchange and opportunities to review and comment on applications and monitoring results, based on the interests identified by U.S. agencies. To date, this relationship has worked well, and issues such as those raised by the U.S. agencies in the Tulsequah review have been addressed within the process. As well, Canada and British Columbia have formally invited Alaska State and U.S. federal review agencies to fully participate in the review of major statutory permit, license and approval applications and authorizations, as the project development proceeds.

In each of the cases identified, significant project-specific continuing relationships have been maintained with U.S. agencies, during the statutory permitting stage and after the EA review has been completed. The Alaska Department of Fish and Game, Alaska Department of Environmental Conservation, U.S. National Marine Fisheries Service and Region 10 EPA have continued to be involved. BC-MELP staff has endeavoured to ensure that when downstream U.S. residents and/or agencies raised any concerns, BC-MELP staff have consistently taken the opportunity to work with U.S. counterparts to resolve all concerns and issues.

An example would be the concerns raised by the citizens of Hyder, Alaska in 1990 regarding rumours of a massive cyanide discharge from the Westmin Premier gold mine, 26-km

upstream on a tributary of the Salmon River which enters the Portland Canal at Hyder. In order to gain the confidence of the public regarding the regulation and monitoring of the mine, Alaskan and U.S. federal regulators met with the BC-MELP and EC counterparts. The regulators toured the minesite, reviewed the monitoring data, interviewed mine personnel and conducted a public meeting in Hyder to present findings and answer questions. The program was successful and all regulators were satisfied that there was no truth to the rumour, and that the pollution control works, regulations and monitoring of the mine were satisfactory.

As part of the Eskay Gold/Silver project EA review, on a tributary of the Unuk River, existing water quality monitoring data and information from the site on the river at the Canada-U.S. border were provided by the mine proponent in its EA report. There have been no issues raised regarding the potential for transboundary water quality or fisheries resources.

The SNIP gold mine located near the Lower Iskut River received an EA approval in 1990 and is currently in operation. An environmental effects monitoring program is in place and, to date, the results show that all aquatic resources in the Sky Creek and Monsoon tributaries upstream of the Iskut River are being fully protected.

There is an existing Canada-BC agreement that monitors and reports on water quality at Canada-U.S. border stations on a regular basis. There are a number of such stations located on rivers in northwestern British Columbia and there is a process for review and assessment of the results.

SUMMARY OF TECHNICAL RESPONSES

The following technical responses are in order of those issues raised in the August 28, 1998 letter from the U.S. State Department to the Canadian Embassy in Washington.

1. MINESITE DESIGN INCLUDING LONG-TERM SITE MAINTENANCE

The following further information and clarification from the U.S. EPA technical specialists has been requested by the geotechnical and mine inspectors of BC-MEM. With this additional information available at the Vancouver meeting, BC-MEM staff will be able to understand the perceived issues so that BC-MEM can explain how such issues are addressed in BC-MEM's permitting process.

- What are the U.S. methods used for determining flood and mass movement events?
- What U.S. criteria are used to determine that a proposed facility (e.g. earth dam impoundment) would be considered a permanent structure?
- Alaska DEC advised BC-MELP and BC-MEM of the U.S. methods[1] that would be used to determine the 200-year flood. Given the time period that data is available for the site, how would this approach differ from the approach used during the Tulsequah Chief project assessment?
- The Shazah Creek alluvial fan is post-glacial. What mine design parameters would be

[1] Stanley H. Jones and Charles B. Fahl, 1994. Magnitude and Frequency of Floods in Alaska and Conterminous Basins of Canada. U.S. Geological Survey Water Resources Investigations Report 93-4179

impacted by refining the age of the Shazah Creek alluvial fan?

- A suitably conservative flood and mass movement event will be used for design. What mine design parameters would be impacted by identifying all potential debris in Shazah valley?
- What US methods would be used to determine scour, and from what level of event?
- What forms of erosion protection are proposed as alternatives to a launching apron? Why are they to be preferred?
- Large equipment will remain on site after closure and the site will be accessible by air. What is the technical requirement for a feasibility study related to long term access?
- What forms of erosion protection are proposed as alternatives to the launching apron?
- What technical benefit would they provide to the launching apron?

2. LONGTERM CUMULATIVE ENVIRONMENTAL IMPACTS

British Columbia and Canada review agencies conducted a review of the potential for cumulative effects in the Tulsequah River watershed, and the processes currently in place to deal with such future activities. In the near term, the potential for re-opening the historic Polaris-Taku gold mine across the river from the Tulsequah Chief project was the only other mine project identified. All existing water quality data and information for this site was used in a semi-quantitative cumulative effects assessment, the results of which were provided as part of the overall Tulsequah project review.

Although additional mineral claims exist in the Tulsequah and Taku River watershed, there are no plans for exploration or potential development that could be found during the review of the Tulsequah project. As well, the British Columbia Ministry of Forests has indicated that no significant commercial forest values exist in the area of the Tulsequah and Taku valleys currently without access.

A land use planning process, to begin in the future (about 5 years) will include a further assessment of other resources values, land use potential in the area, and long-term land use designations. It is within this planning and land use decision-making process that future land uses and potential for effects and management strategies can be better defined.

The information and analysis provided in the Tulsequah project review, and further elaborated in the May 1998 response document, has fully considered the issues raised and the future processes have been fully described.

3. WATER QUALITY

The following brief synopsis of procedures related to regulation of discharges at mining operations pursuant to the British Columbia *Waste Management Act* (WMA), is provided to assist U.S. review agencies in understanding the rigorous project specific permit limits, monitoring and compliance assessment programs that will be in place as the Tulsequah project is developed and operated.

Permit Limits

Outlined in more detail below is a description of how BC-MELP sets effluent permit quality and quantity standards from receiving water criteria and objectives (sometimes called guidelines) and in consideration of provincial effluent objectives and the *Metal Mining Liquid Effluent Regulations* limits of the Canadian *Fisheries Act*. These permit standards are designed to be protective of the most sensitive receptor in the receiving environment and are necessarily conservative, usually more so in the early years of a mine operation.

Monitoring

Monitoring begins with the accumulation of a baseline characterization of all receiving waters for the project. For the Tulsequah Chief project this is described in the Project Report and through agreements reached during the project certification process, and will be ongoing until project construction begins.

When operations begin the WMA permit will specify a comprehensive monitoring program for the discharges and the receiving environment, including the Taku River at the US border. This will include chemical, physical and biological components. The receiving environment portion, referred to as environmental effects monitoring (EEM), will be ongoing during operation and closure and influence any decisions regarding the adequacy of the permit standards for quality, quantity and monitoring. The mine proponent is responsible for conducting or contracting the work. The accuracy of the monitoring is assured by:

BC-MELP Pollution Prevention Program staff undertaking audit sampling; and
the BC Environmental Data Quality Assurance Regulation which certifies and audits sampling, analyses and laboratories.

If requested, these data can be shared on a routine basis with U.S. agencies.

Compliance Assessment

In accordance with the BC WMA permit, monitoring data for the Tulsequah Chief mine will be reported on a weekly and/or monthly basis and reviewed for compliance. Any noncompliance automatically triggers an Enforcement Routing Sheet that outlines the non-compliance, and is circulated on a first priority basis for determination of the appropriate enforcement action according to an escalating response policy. This ensures any exceedence of a permit limit is brought to the attention of both regulators and the mine proponent, and a body of evidence is gathered in an orderly fashion for the courts if warranted.

In addition, a noncompliance list is published by BC-MELP on a semi-annual basis that lists all operations, which have had significant noncompliances for the reporting period.

Suggestions for Addressing Outstanding Concerns

Having reviewed the issues raised in the August 28, 1998 letter from the U.S. State Department, BC-MELP staff provides the following suggestions as to how technical reviewers can move towards resolution of the issues. These suggestions arise from previous discussions with Alaska DEC staff, and follow-up correspondence with them (May 8 and 19, 1998 letters

to Deena Henkins) regarding how BC-MELP's WMA permitting process, including ongoing baseline studies, are comparable to the Alaska Mixing Zone Regulation. Several aspects of the current regulatory system may alleviate concerns about the uncertainties related to the ultimate fate and impact of contaminants generated by the mine and contained in mining related discharges.

WMA permit(s) for the mine operation will set limits that minimize the total contaminant loading to the environment to acceptable levels. Permit conditions will include discharge concentration and volume limits for contaminants of concern, which will be based on provincial effluent objectives and federal standards. In addition, published water quality criteria and/or site specific objectives (as defined by the Alaska Mixing Zone Regulations) will be met at the mixing zone boundary. Permit conditions will also include spill cleanup and contingency planning, as well as contingencies (groundwater pumping and treatment) to eliminate the potential for impacts from tailings pond seepages and contingencies (built in additional impoundment capacity) for waste water handling and treatment system. Permitting will also include regular government inspection, auditing and enforcement of the mine's environmental performance throughout the life of the project and the post closure period. As well, the development and use of an environmental effects monitoring (EEM) program dealing with all contaminant loading sources associated with the project (road and minesite) which may enter aquatic environments will be implemented as required by the BC WMA permit. The EEM program will be used to fine tune discharge limits as required on an ongoing basis. Each of these permitting and monitoring components will be developed using the accumulated knowledge and experience of Canadian and British Columbia regulatory agencies, as well as the advice of U.S. Federal and Alaska State agencies.

In answer to specific technical concerns outlined in the letter, the following responses are provided.

Fate of contaminants in the aquatic environment:

Contaminants, which are discharged under BC WMA Permit, will by design be quickly diluted and dispersed in the mixing zone of the Tulsequah River. Even so, conditions in the mixing zone will be non-acutely toxic to fish. The design of the treatment and discharge system will be such that suspended particulate sources of contaminants are minimized so that secondary reservoirs of metals in the river which could become available to aquatic life do not occur. Further efforts are also underway to document where there may be sediment depositional zones in the discharge course so that they can be monitored for contaminant accumulation as part of the EEM program. The annual glacial outburst cycle in the Tulsequah River watershed will tend to overwhelm any impacts associated with the development of secondary reservoirs of metals in depositional sediments, if they occur. These seasonal events create major changes in channel morphology and are associated with a huge amount of bedload movement past the minesite and mixing zone.

Chronic toxicity:

It is the practice of the Pollution Prevention Program of BC-MELP to include chronic toxicity testing wherever possible in mining proposal evaluation. At the pre-development stage, BC-MELP has not had the opportunity to acquire representative samples of the range of discharges from the mine site to conduct a comprehensive suite of site specific chronic toxicity tests.

However, this will be required prior to discharges occurring, and as opportunities associated with milling or treatment plant tests arise. It will also occur as a main component of the ongoing EEM program that will be required under BC WMA permit. In addition to this safeguard, BC-MELP experience with chronic toxicity testing at the Eskay Creek mine project using the same wastewater treatment technology as proposed for Tulsequah Chief, indicates a satisfactory record.

Most recently chronic toxicity test results from the EEM program have been used to trigger toxicity identification evaluation (TIE) procedures aimed at eliminating a toxic component of the mill flotation process.

Discharge chemistry predictions:

Discharge chemistry prediction is an iterative process that began as part of the EA review, and will continue as required under the BC WMA permit. While the EA review determined that the project warranted an "approval in principle", the EA review did not pre-determine the outcome of any of the proponent's required permits or licences. With the EA review's "approval in principle" the proponent now has permission to apply for all of the licences and permits required for the works associated with the project. With regard to effluent, there are two key legislative requirements one, under the Canadian *Fisheries Act*, and one under BC's WMA. The terms of both laws must be met prior to any effluent discharge.

The BC WMA prohibits the discharge of effluent without a permit. The proponent is required to apply for a BC WMA permit, and the permitting process requires that the company characterize effluent discharge chemistry prior to a BC WMA permit being issued. BC-MELP staff, in consultation with other provincial and federal agencies, determines the necessary quality standards of the effluent, and require treatment to those standards as a term of the permit. Treatment required under the permit must be established prior to discharges occurring. BC WMA permitting includes ongoing discharge and environmental effects monitoring.

BC-MELP has determined at a conceptual level that the treatment plant technology proposed by the company, and accompanied by "real world" examples of its use and performance, is capable of meeting the legislative requirements of the BC WMA which are comparable to the Alaska Mixing Zone Regulation. However, it is through the permitting process that the company is required to demonstrate that the BC WMA requirements will be met.

In combination, the requirements of the Canadian *Fisheries Act* and the BC WMA permit ensure that any discharge is not acutely toxic and that there will be no measurable impacts beyond the initial zone of influence.

Risks associated with low flow periods:

Data available to date have provided a coarse (and therefore conservative) estimate of winter low flows in the Tulsequah River, which may be available for dilution of discharges. These estimates are being refined as new data is made available and an adequate database for setting practical limits will be available at the end of 1999 as required by the project report specifications under BC's *Environmental Assessment Act*. A number of measures, that will be made part of the BC WMA permit as necessary, are available to ensure that low flow conditions are recognized and dealt with in terms of discharge planning, so that impacts within

the mixing zone are avoided. These include the use of more than one of the several river channels for discharges if needed, thus taking advantage of additional low flow dilution, and the use of impoundment storage capacity to limit discharge volumes at critical winter low flow periods, if they occur. It is important to keep in mind that discharge will not be acutely toxic and that there will be no measurable impacts beyond the initial zone of influence.

Use of unproven diffuser technology:

Diffusers for wastewater discharges are common in BC. The proponent has acknowledged that the dynamics of seasonal flows of the Tulsequah River will present some challenges for their use at this mine. BC-MELP will require the proponent to optimize the design to achieve immediate dilution of discharges, especially in critical low flow periods. Based on the analysis of further data and information, it may be determined that diffuser use is reserved for seasonal periods, or used as a contingency when shoreline or "end of pipe" mid channel discharge equipment does not afford adequate immediate dilution.

Current discharges at the minesite and transboundary effects:

BC-MELP is working with the proponent to ensure that a permanent solution to this historic problem will be in place at the earliest possible time, given the constraints of access, and the fact that mining the Tulsequah Chief deposit provides the best options for solving the problem.

Responsibility for remediating current discharges:

The proponent is currently under direction of BC-MELP and is responsible for the remediation of the historic discharge problem at the Tulsequah Chief mine site. If the proponent fails to meet this direction and abandons the property, then British Columbia has the right to take action, using the proponent's posted reclamation security. It should be noted that the development of the project is the most cost effective and proven approach to the remediation of the existing Tulsequah drainage.

Factors influencing toxicity:

The risk assessment developed by BC-MELP in consultation with the Alaska DEC, and currently being implemented by the proponent addresses the concerns cited in the letter. These include long term exposure to mixtures of metals which may be additive in nature; bio-availability of these metals; physiological effects on reproduction and growth and effects through dietary routes of exposure. In response to the suggestion that there may be issues associated with alteration of pH in the Taku inlet, BC-MELP has determined that this type of effect is not possible, due to the magnitude of dilution available in the intervening distance.

Impacts identified prior to certification:

BC-MELP shares the same goal as U.S. state and federal agencies, in striving to have all of the environmental issues associated with the Tulsequah Chief mine proposal resolved prior to proceeding with project development. It appears as if the concern about when issues will be resolved may stem from the differences in the respective regulatory and institutional structures.

BC-MELP believes that the magnitude of risk associated with the mine proposal was dealt with sufficiently by the Project Committee in rendering an approval in principle certificate decision under BC's *Environmental Assessment Act*. This certificate approval does not fetter the regulatory authority or obligations under other statutory permitting legislation to continue issue resolution prior to any development taking place. BC-MELP is committed to an iterative approach, fully involving U.S. state and federal agencies to ensure that all reasonable measures are implemented to ensure that the Tulsequah Chief project is developed, operated and decommissioned using the most environmentally safe means possible.

Sedimentation impacts:

BC-MELP shares the concern regarding "deposition of fine particulate matter on the stream bottom" as it relates to "...quality spawning habitat and productive invertebrate habitat". As a result of this concern, BC-MELP has developed a terms of reference (TOR) for additional baseline sampling and EEM work focussing on areas of the proposed road and minesite where these types of impacts have the potential to occur. These TOR were circulated to U.S. agencies as they were being developed during the project review period, and staff from these agencies participated in discussions used to edit and revise them. Subsequent to this, additional detailed baseline study plans have been developed and implemented by the company, based on the TOR, with further reporting to occur, as new data becomes available. It is intended that the level of study associated with these EEM efforts will be sufficient to qualify as a major advance in impact assessment in both Canada and the U.S. BC-MELP welcomes the input from U.S. federal and state agencies to ensure joint benefits can be realized.

Toxicity associated with metals in fine sediments:

It is acknowledged that the impact mechanism as stated is a legitimate concern. BC-MELP proposes to deal with it through the use of WMA discharge permit limits which will control suspended particulate loadings in mine related discharges, and the use of both total and dissolved metals concentration limits for these discharges, as necessary.

4. FISHERIES

Fisheries issues raised in the August 1998 letter focus on aspects of risk assessment. The U.S. response provided two suggestions:

- identify acceptable risks to fisheries resources and
- fully evaluate potential impacts of the project.

Canada and British Columbia confirm that these two issues are indeed the focus of the next stage of the assessment process and of continued consultation with stakeholders including U.S. state and federal agencies. The following provides an explanation of how risks have been evaluated, how the impact assessment process will continue and invites clarification from U.S. state and federal agencies on the specifics of their outstanding concerns regarding fisheries resources.

Identification of Acceptable Risks to Fisheries Resources

As stated in previous sections, project assessment is an iterative process. At the EA review stage of project assessment, Canada and British Columbia concluded that the proponent's approach to identification of the risks to fish and their habitats was acceptable. The method of identification included an inventory and assessment of risks to fish and fish habitat over all of the proposed road corridors, and the mining discharge receiving environment. The proponent also identified areas where fisheries values existed and where potential impact mechanisms (both infrastructure and causative process impacts) were found to pose risk on those fisheries values.

Once the risks were identified by the proponent in accordance with accepted methodology, the Project Committee (which included Canadian and US federal and provincial and state regulators), assessed the risks and made a judgement regarding whether the impacts can be avoided or adequately mitigated with known technology. Because impacts were found to be avoidable or mitigable with known technology, the Project Committee concluded that the project was not likely to cause significant adverse environmental effects and recommended approval-in-principle of the project.

The next stage of project assessment is the permitting-process and authorizations stage. This stage ensures that the best, most up-to-date information available for designing and regulating the project is used. The following is a listing of the issues which have been considered in the certification process, and which will be the subject of continued evaluation by Canada and British Columbia in the development and issuance of permits and authorizations:

- full identification of sensitive fish habitat and populations near areas where construction will take place;
- full identification of areas posing risk of mass wasting and sediment release resulting from road and mine development, for example, the effects of sediment release on early life history on fish, particularly in combination with metal-rich tailings supernatant or seepage (see "Outstanding U.S. Concerns on the Tulsequah Mine Project" page 3, section 4-Fisheries, second bullet);
- adequacy of sediment control mitigation - evaluation of effectiveness of mitigation measures using Canadian standards for protection of aquatic life and other uses;
- adequacy of sedimentation monitoring and impact assessment;
- maintenance and re-prescription of sediment control measures;
- adequacy of construction timing windows to protect fish during bridge culvert and causeway construction and decommissioning;
- effective controls on unauthorized fishing effort;
- adequacy of environmental reporting and enforcement;
- control of metals leaching from the tailings pond into Shazah Slough;
- adequacy of compensation measures to offset causeway intrusion into fish habitat in the Tulsequah River;
- post closure integrity of the tailings dam and other structures through detailed design and ongoing monitoring and evaluation; and
- effectiveness of mine road decommissioning to control surface erosion and mass wasting.

U.S. state and federal agencies are invited to participate in all further iterations of risk evaluation and mitigation planning, including clarifying outstanding issues and concerns

relating to identification of acceptable risks. Clarification is sought from U.S. state and federal agencies so discussions can commence at the proposed up-coming bilateral meeting in November, 1998.

Fully Evaluate Potential Risks to Fisheries Resources

In general, a full evaluation of potential risks involves:

- characterization of likely impacts;
- identification, examination and evaluation of proposed mitigation measures; and
- assessment of potential residual impacts after mitigation has been applied.

The EA review is the first stage of full evaluation of potential risks. Full evaluation of potential risks occurs through the combination of the EA review and the permitting-process/authorizations stage.

During the EA review the majority of likely impacts must be identified and characterized, and related mitigation measures evaluated. The significance of a potential impact is determined after mitigation has been applied. This requirement focuses the proponent's and Project Review Committee's efforts in developing measures which will mitigate the magnitude and likelihood of potential impacts. This is done to avoid the pitfalls of developing detailed evaluations of the effects of unmitigated worst-case impacts. This approach provides an opportunity to limit the scope of risk assessment (at the EA stage) within the limits of practicality, while dealing with the range of potential risks of the project as designed.

During the next stage, i.e. permitting/authorization, the focus is on:

- more detailed characterization of likely impacts;
- assessment of potential residual impacts after proposed mitigation has been applied; and
- refinement of mitigation measures to meet regulatory requirements (i.e. conditions for issuance of permits and authorizations).

As mentioned above U.S. state and federal agencies are invited to participate in the full evaluation of potential risks to fisheries in the permitting/authorization stage. Clarification of outstanding issues to be fully evaluated is sought from U.S. state and federal agencies at the up-coming bilateral meeting in November 1998.

ORIG LTR TO ADDRESSEE
COPIES TO:
S
D
P
E
T
C
M
G
S/S
S/P
PA
PA-JR
TMS
ARA
OES
IPS
RF
(HEW)

S/S 9900610

'99 JAN 27 P5:54

DEPARTMENT OF STATE
WASHINGTON

January 27, 1999

Dear ~~Governor Knowles~~:

I am writing in reply to your letter of January 6 regarding British Columbia's Tulsequah Chief mine.

The Department of State, the Department of the Interior and the Environmental Protection Agency fully share Alaska's deep concern about the potential adverse effects that reopening the Tulsequah Chief might have on the Taku River watershed and the salmon fisheries there. Federal and State of Alaska agencies have cooperated closely over the past ten months in presenting our concerns to the Governments of Canada and British Columbia and seeking the proper remedial actions.

The U.S. side has been willing to try to settle these issues directly with the interested parties, to see if our concerns can be met. In so doing, however, we have made clear to Canada our expectation that no action will be taken on the project that would prejudice this matter while it remains open between us. We have reiterated that we would proceed to a reference to the International Joint Commission (IJC) should such prejudicial action take place.

Upon learning that the British Columbia permitting committee was meeting to consider the granting of an access road construction permit, we immediately sought clarification from the Canadian government. We reminded the Canadians that construction on the road would be among the actions that we would consider prejudicial. Since then we have been assured by British Columbian and Canadian federal officials that the permit being considered for the road will be conditional on the mining

The Honorable
Tony Knowles,
Governor of Alaska,
P.O. Box 110001,
Juneau, Alaska 99811-0001.

company first carrying out further investigation of the environmental impact of the construction. Together with Alaskan officials and other federal agencies, we will review closely the conditions set by the permit process to ensure that they are acceptable from the standpoint of impact on the shared watershed of the Taku. We also are seeking further assurances that construction on the road will not be undertaken while U.S. concerns about its impact remain unresolved.

As a result of the November meeting in Vancouver and an additional technical meeting in Seattle in December 1998, the U.S. experts have received additional technical and environmental information concerning the project. Federal and state agencies are assessing this information. We will remain in close touch with your office as we work together to press for resolution of U.S. concerns regarding the Tulsequah Chief.

I welcome your thoughts on this matter at any time, and hope you will not hesitate to contact me in the future.

Sincerely,

Strobe Talbott
Acting Secretary

Table 1. Summary of EA Project Committee and Subcommittee Meeting Dates, Locations and Purpose

Project Committee Meetings	Location	Purpose	Attendance by US reps.
February 27-28, 1995	Vancouver	Application review workshop • Transportation options • Water quality • Fisheries • Tailings pond • Acid rock drainage	Alaska State rep provided workshop information to state, US federal and US local governments • Alaska State • Dept. of Environmental Conservation • EPA • US Army Corps of Engineers
March 15, 1995	Vancouver	Acid rock drainage Follow-up Workshop	
March 29, 1995	Vancouver	Wildlife Workshop	
July 26, 1995	Smithers	Ad-Hoc Project Committee Workshop	
December 13, 1996	Vancouver	Project Report s.26 Review/Discussion of Deficiencies	State of Alaska
January 13, 1997	Conference Call	Project Report s.26 Conclusion/Clarification of Deficiencies	State of Alaska
March 24, 1997	Conference Call	Status of Review/Change of Project Director	State of Alaska unable to attend
April 18, 1997	Conference Call	Economic Specialist's Meeting – Barging Option	State of Alaska
April 30, 1997	Conference Call	Status of Review/Discuss Application to Remove Barging From Scope of Project	• State of Alaska • US Department of the Interior • US Army Corps of Engineers
June 17, 1997	Conference Call	Conclusion on Application to Remove Barge and Recommendation to Executive Director	• US Department of the Interior • State of Alaska
September 17, 1997	Conference Call	Project Report Review Update and Discussion of Next Steps	• State of Alaska • EPA declined to attend • US Department of the Interior declined to attend as there were no outstanding issues now that barge option had been removed • US Army Corps of Engineers declined to attend as there were no permit requirements and no issues as barge option had been

			removed
December 15, 1997	Conference Call	Project Report Review Update/ Review Tasks and Timelines to Complete Overall Review and Referral to Ministers by January 21, 1998	• State of Alaska • EPA able to attend first 25 minutes only
January 15, 1998	Vancouver	Receive Subcommittee Recommendations and Reach Conclusions and Recommendations	• State of Alaska • US Department of the Interior • Alaska Dept. of Fish and Game • US Fish and Wildlife Service
ARD/Metal Leaching/Water Quality Subcommittee			
October 22, 1997	Vancouver	Set up Subcommittee and Begin Issue Identification and Resolution Process	State of Alaska
December 11, 1997	Smithers	Discuss Preliminary Responses to Issues Raised	
January 13, 16, 1998	Vancouver	Resolution of Outstanding Issues	• State of Alaska • US Department of the Interior • Alaska Dept. of Fish and Game • US Fish and Wildlife Service
January 19, 20, 21, 1998	Teleconference	Resolution of Outstanding Issues	• EPA/state of Alaska invited but did not participate
Wildlife/Aquatic and Access Subcommittee			
March 22, 1996 (Ad Hoc)	Richmond	To Discuss and Clarify Information Requests in Project Report Specifications	
October 29, 1997	Vancouver	Set up Subcommittee and Begin Issue Identification and Resolution Process	
December 2, 1997	Victoria	Outline Approach to Developing Grizzly Bear CEA	
January 14, 16, 1998	Vancouver	Seek Resolution of Outstanding Issues and Acceptance of CEA TOR Prepared by Independent Consultant	• State of Alaska • US Department of the Interior • US Fish and Wildlife Service
January 27, 1998	Teleconference	Resolution and acceptance of CEA TOR, Grizzly Monitoring program and to discuss winter trail and road alignment issues	US Dept. of Interior declined to attend

February 12, 13, 1998	Teleconference	Resolution of outstanding wildlife issues	
Cumulative Effects Subcommittee			
November 14, 1997	Vancouver	Set up Subcommittee and Reach Agreement on Scope of Study	
January 13, 1998	Vancouver	Review and Acceptance of Report prepared by Independent Consultant	• State of Alaska • US Department of the Interior • US Fish and Wildlife Service
January 29, 1998	Teleconference	Key participants to discuss follow-up and monitoring plan	

Please note that all Project Committee members, which included the US Department of the Interior, State of Alaska, US Army Corps of Engineers and Environmental Protection Agency, were invited to attend each Project Committee meeting. As most PC members responded to invitations verbally, only those cases where lack of attendance was noted in the minutes, or the PC member wrote in their regrets are noted in the table.

Table 2. Public Consultation – Summary of Open Houses and Public Meetings in the US

Date	Location
Open House presentation March 8, 1995	Juneau Alaska – advertised in Juneau Empire newspaper
Open House presentation March 9, 1995	Skagway Alaska– advertised in Juneau Empire newspaper
Open House presentation October 1, 1997	Skagway Alaska– advertised in Juneau Empire newspaper
Open House presentation October 3, 1997	Juneau Alaska– advertised in Juneau Empire newspaper

Fair's fair: The Tulsequah Chief Mine should go ahead

GORDON GIBSON

IN VANCOUVER

The Tulsequah Chief Mine property lies in remote northwestern British Columbia near Alaska. The project has passed every environmental hurdle known to federal and provincial governments with flying colours and has its approvals. It still can't get started, because of pressure directly from or financed by American so-called environmentalists. This is a case where we decide whether we are a sovereign country.

Some basics follow, of fairness, economics and the environment.

Active work to prove the feasibility of the project has been under way since 1987. The owner is Redfern Resources, a company listed on the Toronto Stock Exchange. About $27-million has been spent to date to do things right, and a lot of small shareholders have bought stock to finance that.

The company went through extensive research and consultation over 3½ years, including public meetings to deal with all the necessary local-impact issues. This involved ministries of the permitting governments of Canada and B.C., the small town of Atlin and the Taku River Tlingit Band based there, and various branches of the governments of neighbouring Yukon, Alaska and the United States.

On March 19, 1998, after comment by a 13-member international committee, the B.C. government granted a Project Approval Certificate. These mining folks had done all they were required to do, a lot of it no doubt flat-out ridiculous. They had jumped through all the hoops. Fairness says the mine should go ahead.

As for economics, this project would provide construction jobs for 400, and continuing work for at least 260 for at least nine years (the ore-body limits are not known). It would see an investment of $160-million (much to Ontario suppliers, no doubt), pay company taxes of $20-million a year and pay personal taxes in addition to that, while extracting ore (mostly metals, some gold and silver) worth about $1.2-billion.

Mining jobs are the best-paying in the province. Even city dwellers (and we are an overwhelmingly urban nation now) who tend to think that food comes from supermarkets and money comes from banks should dimly understand that you could pay for a few schools and hospitals out of all this.

As for the environment, not only is this mine clean (sulphites are even replaced underground), but it would also mop up residue from an older, smaller operation. The haulage road would be single-lane gravel, with 12 truck trips a day and access controlled around the clock (to keep out wildlife poachers and tourists). The mine is underground, not open-pit. We are not talking about the heavy footprint of man.

So, to review: These are good, clean jobs, earning foreign exchange to boost the loonie, paying taxes for social services. Enter the enviros.

A group close to Alaska Governor Tony Knowles persuaded him to ask for an International Joint Commission review last March 31. The IJC is a Canada-U.S. body set up to consider cross-border issues. The stated case had to do with fish and water quality, matters already definitely resolved. Retaliation for Glen Clark's salmon wars may have had something to do with it.

The U.S. State Department conveyed the request and Canada gave a detailed technical response in May. Mysteriously, pressure continued.

Eventually a Sierra Legal Defence Fund document was leaked, describing a multi-eco organization campaign last fall to exploit the "financial weaknesses" of the mine project and to secure a development moratorium on the entire Taku River watershed — about 2 per cent of B.C. Funding over three years of more than $600,000 was planned, mostly from American sources.

The IJC was a favoured instrument of attack. Redfern is financially stressed. Enough delay (the IJC can be *very* slow) could kill the deal. And of course, as the document stated, the IJC would be a "key media opportunity."

Allies were needed. The 400-member Taku River Tlingit Band is negotiating a treaty in the area, and the leaked document proposed that up to $300,000 be spent to "strengthen the community's commitment to legal challenge of the Redfern permit," nudge, wink. A lawsuit has indeed been filed by the band.

Last November and December, every environmental issue was again satisfactorily answered by Canadian negotiators, whose approval is needed for an IJC reference. The American government was even offered continuing oversight of the process. However, that does not resolve the company's financing problem. You can't raise money to fund a mine that could be endlessly on hold.

That means it is now up to Foreign Affairs Minister Lloyd Axworthy to make an unequivocal statement that this matter does not have an international impact (as all government studies show) and will not be going to the IJC — period. Canadian sovereignty demands no less of a defence against a bunch of folks who would rather see northern B.C. as their private park. If you can't build a mine even with full approvals, mining is dead in this province.

The Taku River Tlingit Band's legitimate interests can be worked out in Canada's governmental and legal system; fair enough. But it is simply not appropriate to give foreigners effective control over our resources. Mr. Axworthy has said some helpful things in the Commons on the IJC matter. Now is the time to put them in writing.

TONY KNOWLES
GOVERNOR

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 6, 1999

Mr. Strobe Talbott
Deputy Secretary of State
U.S. Department of State
2201 C Street, NW, Room 7220
Washington, DC 20520-7512

Dear Mr. Talbott:

Thank you for the Department of State's December 4 letter to Minister Higginbotham, Embassy of Canada, reiterating the United States' concern that no prejudicial action be taken regarding development of the Tulsequah Chief mine while our bilateral discussions continue. In addition, I am writing to let you know that the State of Alaska continues to have strong concerns about the proposed Tulsequah Chief mining project in northwest British Columbia. I seek your assistance in referring this proposed project to the International Joint Commission (IJC) for further review.

The Tulsequah Chief mine is a proposed underground base/precious metals mine located 40 miles from Juneau, Alaska in the Tulsequah River valley, in northwest British Columbia, Canada. Redfern Resources Ltd., the project proponent, seeks to construct an 80-mile road through the Taku River watershed to reopen a previously closed underground mine. The project site is located about 18 miles upstream from the B.C./Alaska border. The proposed mine is located on the Tulsequah River, a tributary to the Taku River, which is a transboundary river under the International Boundary Waters Treaty Act.

The Taku River, and its near pristine watershed, is a prolific producer of all five species of Pacific salmon. These fisheries are fundamental to Southeast Alaska's subsistence, sport, and commercial fishers, and the communities in which they live. The Taku River is also a transboundary river under the Pacific Salmon Treaty with Canada, and fishers from both sides of the border have benefited from joint salmon enhancement projects. By putting salmon habitat at risk, the Tulsequah mine project also puts at risk this successful program to conserve and sustain salmon. As you know, the allocation of this important

salmon fishery has already been the source of difficulties between Canada and the United States.

Alaska has reviewed all key Tulsequah Chief mine project documents and has participated in numerous project meetings over the past four years. We have, on numerous occasions, made our concerns clear; but they have largely been ignored. The most recent project meeting, held in Vancouver in mid-November, ended with an apparent acknowledgement on the part of Canada that our outstanding concerns were legitimate and deserving of attention through appropriate scientific and land use studies. In spite of this acknowledgement, outstanding concerns have not been resolved.

The state is now in an untenable position. Canada has acknowledged the need to gather basic information on key aspects of mine siting, development, and operation, yet refuses to acknowledge this new information may indeed point to potential critical flaws. Our views appear irreconcilable; and, as such, we believe the matter is suitable for referral to the IJC, as we have maintained since my letter to Secretary Albright last March.

In addition, it has come to our attention that while we participate in bilateral negotiations with Canada, the mine/road permitting process continues to move forward. British Columbia appears poised and ready to issue a special use permit that would allow road construction. We find these permitting actions distressing. Most recently, the preparations for building a winter road, which crosses our joint watershed, are proceeding in spite of the December 4 letter from the State Department to the Canadian Embassy clearly stating the U.S. position that no action should take place on the ground until there is a mutually agreeable conclusion to ongoing discussions. To our knowledge, this is the first time in IJC history that permitting for a project has continued while the project is under review for an IJC referral.

Not only are the Tulsequah Chief mine issues fully ripe for IJC review and recommendation, we are at this impasse just as the IJC is expanding its role to include major watershed review. Specifically, the U.S. and Canadian governments have recommended the IJC look at the possibility of forming binational boards for several major watersheds along the joint border, including the Taku River. We believe IJC involvement is imperative *before* the Tulsequah Chief project irrevocably changes the watershed. These irrevocable acts would offend and preclude the very purposes the two nations are trying to achieve through a watershed approach.

I would be happy to provide you further detail to ensure that Alaska's level of interest and concern is clear. I believe it is time for the Department of State to firmly urge Canada to work with the United States in a joint IJC referral of the Tulsequah Chief mine development. I look forward to hearing from you about this important matter.

Sincerely,

Tony Knowles
Governor

cc: Victor Comras, Director, Office of Canadian Affairs
Brooks Yeager, Deputy Secretary, Department of the Interior
Willie Taylor, Director, Office of Environmental Policy and Compliance Department of the Interior
Mary Beth West, Director, Office of Oceans and Environment Department of State
Pete Christich, Director, Office of International Affairs Environmental Protection Agency

TULSEQUAH CHIEF MINE PROJECT

CANADA-BRITISH COLUMBIA

RESPONSE TO CONCERNS RAISED BY UNITED STATES (US) AGENCIES

NOVEMBER 1998

PURPOSE OF THIS DOCUMENT AND BACKGROUND

The purpose of this document is to provide the Canada and British Columbia response to the issues and remedies outlined by US agencies in the November 13, 1998 letter from the US State Department to the Canadian Embassy in Washington, and discussed at the November 16/17 meeting in Vancouver.

This document was compiled by the British Columbia Environmental Assessment Office (EAO), with the input and assistance of:

- British Columbia Ministry of Environment, Lands and Parks (BC-MELP);
- British Columbia Ministry of Energy and Mines (BC-MEM);
- British Columbia Ministry of Forests (BC-MOF);
- Environment Canada (EC), including Canadian Wildlife Service (CWS);
- Department of Fisheries and Oceans (DFO);
- Natural Resources Canada (NRCAN), including Geological Survey of Canada (GSC);
- Inter-governmental Relations Secretariat, Province of British Columbia; and
- Department of Foreign Affairs and International Trade.

In addition to a response to each of the remedies proposed by US agencies, Canada and British Columbia agreed at the November 16/17 meeting to provide additional technical information which is included in Annexes attached to this document and identified in the responses to the remedies.

This document is the third in a series of responses provided to requests from the US agencies subsequent to Canada and British Columbia completing the joint environmental assessment of the Tulsequah Chief mine project (Project) in spring 1998, thereby allowing the Project to proceed to detailed design and permitting stages. These documents collectively provide additional information and analysis to resolve questions and matters of difference. Together, the documents show how the overall review and conclusions and matters to be included during the statutory permitting processes will ensure that the development and operation of the Project, in accordance with statutory permits, licenses and approvals would not create any potential for significant adverse effects on transboundary resources. Previous documents provided to US agencies include:

- May 21, 1998 binder responses of Canada and British Columbia providing further information on issues raised at the April 16, 1998 Canada-US meeting in Washington, DC; and

- October 1998 responses of Canada and British Columbia to continuing concerns raised by US agencies in a letter from the US State Department to the Canadian Embassy in Washington dated August 28, 1998.

US agencies were invited to participate in the overall review of the Project. Alaska State, US Environmental Protection Agency (EPA) and US Department of Interior (DOI) were involved in the work of the Tulsequah Project Committee from fall 1994 to March 1998. As well, the US Army Corps of Engineers (CORPS) were involved up to June 1997 at which time the barge transportation options were formally removed from the scope of the project review.

Information provided to all Project Committee members and agencies requesting material for review included:

- Redfern Resources Ltd. (Redfern) Application report and subsequent addenda (fall 1994/spring 1995);
- Draft Project Report Specifications (terms of reference for further studies based on a review of the Application) for review and comment prior to finalization;
- Redfern's Project Report for both initial screening and for formal review;
- Redfern's application to formally remove the barge transportation options from the scope of the review;
- Draft conclusions and recommendations on the application to remove the barge;
- All addenda material provided by Redfern and British Columbia during the review of the Project Report, and required by review agencies to complete the overall review; and
- Draft Project Committee recommendations to British Columbia Minister of Environment, Lands and Parks and Minister of Energy and Mines.

US agencies were invited to participate in all Project Committee, sub committee and barge transportation review meetings (including telephone conference calls), totalling over 30 during the overall review. As well, Canada and British Columbia established a process to adhere to the provisions of the *Convention on Environmental Impact Assessment in a Transboundary Context*, United Nations 1991, as yet unratified, to ensure that all transboundary notification, information exchange and consultation requirements were met.

The issues and remedies proposed by US agencies do not raise any new concerns or activities that would not normally be addressed during the permitting stage for the mine. The purpose of the overarching British Columbia and Canadian environmental assessment processes was to identify and resolve such issues to a level of detail that would reasonably confirm that remaining issues could be adequately addressed through the British Columbia and Canadian statutory permitting and authorization processes, and to ensure the project would not have significant

adverse environmental effects. This test was met for all issues and it is the permitting processes that will now adequately address the level of further planning and assessment required to satisfy permitting requirements prior to those permits being issued for each project component.

Canada and British Columbia are confident that the remedies proposed by the US can best be accommodated through the detailed Project design, and planning stage and through continuing discussions and input of all parties. Each aspect of the Project requires a co-ordinated review of the applications for the necessary statutory permits, licenses and approvals required as Project development proceeds. In this context, both British Columbia and Canada continue to invite the participation and input of US agencies in this process. We are confident that the proposed remedies in the US State Department letter, as modified by British Columbia and Canada to fit within the Canadian legal framework are acceptable, and that this dialogue has been effective in resolving questions and matters of difference.

SUMMARY OF TECHNICAL RESPONSES

The following technical responses are presented in order of the issues and remedies raised in the November 13, 1998 letter from Victor Comras, Director, Office of Canadian Affairs, United States Department of State, to John Higginbotham, Embassy of Canada, Washington, DC.

1. Unresolved mine site design issues including long term site maintenance

Issue 1(a). Tailing Impoundment

US Proposed Remedy 1(a). (1) Examine alternative tailing impoundment/disposal locations in much more detail to seek an alternative location for a tailing impoundment in a geologically and hydrologically stable area. (2) If both the United States and Canada agree as a result of this examination that no other suitable location exists, establish mutually agreeable design conditions (e.g. probable maximum flood) that reflect construction of a permanent facility and gather necessary data to estimate not only flood flows but associated debris flows. Address these and all associated geotechnical risks in the facility design, to the satisfaction of both governments. (3) Address all long-term (i.e. in perpetuity) maintenance and contingency needs, including costs and means of transporting large equipment to the site, to the satisfaction of both governments. Accomplish these remedies prior to irretrievable commitment of resources to activities on the ground.

Canada and British Columbia are confident that the approach outlined below fully satisfies remedy 1(a).

Canada and British confirm the invitation extended to US agencies to participate in a review of the available data regarding the tailing pond alternatives assessment to date and additional background information on the hazards assessment for Shazah Creek in a pre-permitting phase. This additional step will assist Redfern with preparing detailed design(s) and permit

application(s) and will help to resolve US questions and matters of difference. The information available for such a meeting is summarized below, and contained in the Annexes to this document.

Item 1 – British Columbia agrees to re-examine the alternatives for location of tailing impoundment/disposal facilities. Redfern was asked to re-examine alternative tailing facility sites and not restrict itself to the seven sites that were originally considered. The best technically and economically feasible site will be selected. BC-MEM experts have conducted a further review of site options. Canada also provided technical assistance in this review. The results of this review are contained in Annex 1.

Item 2 - British Columbia agrees to review the basis on which an acceptable design will be developed, taking into account all foreseeable risks. Redfern was asked to re-examine floods and debris flows that could occur in Shazah Creek and Chasm Creek and the ability to safely pass such flows with a tailing facility located on the Shazah Creek fan. These and other associated geotechnical risks will be further addressed in the facility design. Experts from BC-MEM and Canada have completed further review of Shazah site geotechnical hazards Annex 1 to this document includes the results of this further review.

Item 3 - British Columbia agrees to ensure all long-term maintenance and contingency needs are addressed as part of the *Mines Act* application review process and before a decision on the permit for that aspect of the project is made. Redfern was requested to provide additional heavy equipment detail on maintenance and contingency needs in the absence of an access road after completion of mining and mine decommissioning.

At present Redfern has not applied for approval to construct the tailing facility and no construction activities have taken place. This stage of construction will require granting of the necessary permits based on a detailed design addressing British Columbia and Canadian standards. These are equivalent to those of Alaska. In addition to the offer (made above and in person November 16/17) to meet with US counterparts to review the pre-permitting information package found in Annex 1, BC-MEM reiterates the invitation made earlier in the year inviting US participation in the permitting process.

Experts from BC-MEM Geological Survey Branch, Geological Survey of Canada and an external reviewer for BC-MEM have, subsequent to the November 16/17 meeting, reviewed tailing site selection and natural hazards in Shazah Creek. These independent supplementary reviews confirm that the level of work to date by Redfern is accurate and adequate for the joint federal and provincial environmental assessment that was concluded in March of this year.

BC-MEM provides in Annex 1 the supplementary reviews and technical information provided by Redfern. BC-MEM is also providing documents in Annex 2 that provide important information on BC-MEM's mine permitting process, policy and guidelines.

Issue 1(b). Monitoring and long-term enforcement

US Proposed Remedy 1(b). (1) Develop monitoring plans to ensure tailing impoundment structural integrity and re-vegetation after closure. (2) Assess feasibility of perpetual water treatment if access can only be by air. (3) Develop improved plans for tailing impoundment seepage prevention, seepage return system, and "real time" detection and correction via mine shutdown. (4) Provide monitoring plans for water quality. (5) Provide copies of governmental enforcement plans, implementation schedules for both this proposed mine and past mining activity that has resulted in acid mine drainage, and emergency closure procedures for non-compliance with operational requirements. (6) Require adequate bonding to cover cost of site reclamation to benign state.

Canada and British Columbia agree with the 6 identified strategies in the US proposed remedy, and outline the following approach to implement the remedy.

Item 1. Canada and British Columbia concur in the need to develop monitoring plans to ensure tailing impoundment structural integrity and re-vegetation after closure.

BC-MEM monitoring plans are site specific. After mining (as well as for the operating phase), if a tailing facility cannot be decommissioned to a "walk away" state, Redfern is required by the Code to retain a professional geotechnical engineer to conduct an annual inspection and submit an Annual Tailing Facility Report. To address environmental and/or safety risks associated with the facility a commensurate level of site presence will be required, depending on the level of perceived risk, including daily, 365 days of the year, if required. The risks are based upon the consequences of failure and the potential for upsets.

Redfern will be adequately bonded by British Columbia (see Annex 2, references 1, 2 and 3) under the *Mines Act* to ensure the necessary work is performed according to Permit obligations and the logistics of "no road" are taken into account. As indicated at the November 16/17 meeting heavy equipment will be kept on site to perform maintenance and repair work, as required. This equipment will be kept on site in a maintenance garage and maintained in good operating condition according to a regular maintenance schedule. Redfern will be required to follow the care and maintenance schedules for the heavy equipment industry. If required, additional heavy equipment would be barged or flown in. Equipment care and maintenance (and replacement) will be addressed in the long term bond held by British Columbia.

The Permit application prepared in accordance with the "Application Requirements for a Permit Approving the Mine Plan and Reclamation Program Pursuant to the *Mines Act*" requires Redfern to prepare a soil survey and soil management plan, and to strip and stockpile topsoil for replacement on disturbed areas where necessary. In this location and climate, revegetation is expected to be easy on most substrates. Natural revegetation of bare soils following glacial retreat can occur rapidly without human assistance as shown at Glacier Bay, Alaska. To meet the requirements of the Permit and the *Mines Act* Permit and Health, Safety and Reclamation Code for Mines in British Columbia (Code), Redfern must demonstrate that it has achieved permanent, stable vegetation and have satisfied land use and productivity objectives. In addition, Redfern must ensure that metal uptake in vegetation is not a problem. Long term monitoring of vegetation could be required under the *Mines Act* Permit, although in this wet environment it is

expected that revegetation will be relatively straightforward. Demonstration is achieved through the submission of Annual Reclamation Reports which are required until all obligations of the Permit are fulfilled to the satisfaction of the Chief Inspector of Mines, and by joint site inspections with the region's reclamation inspector and Redfern personnel.

Mines Branch inspectors conduct regular site inspections by helicopter or small fixed wing aircraft every year as many sites are inaccessible by other means. A team of inspectors including representatives for reclamation, bonding, geochemistry (ARD/ML), geotechnical, health and safety inspectors will participate in inspections. Joint agency inspections often occur as well involving representatives of line agencies at the provincial and federal regulatory levels. The Tulsequah site would be accessed by air out of Atlin.

Item 2. BC-MELP and BC-MEM agree to the proposed remedy and will request that Redfern provide a more detailed feasibility study as requested by Alaska/US.

The water treatment plant will be installed to treat contaminated water which is presently flowing from existing Tulsequah workings. The new Tulsequah mine design will not generate any additional acid mine drainage. One of the environmental benefits of the Project will be the ability to construct and operate the treatment plant to control the existing effluent. The longer term objective, of course, will be to institute remediation of the existing underground workings to eliminate or greatly reduce the requirement for treatment at the end of mining. Redfern was asked to resubmit costs and scenarios for long term maintenance of the mine and operation of a water treatment plant.

During the review of the Project BC-MELP concluded that perpetual water treatment was feasible based on: the information presented; and on previous experience with perpetual water treatment (Equity Silver) and air-only mine access (Homestake Snip Gold and Skyline Gold).

Item 3. Canada and BC-MELP and BC-MEM agree that developed plans for the detection and correction of seepage problems will be required of Redfern.

The tailing that will fill the tailing facility are very low permeability materials and are the most effective materials for seepage prevention in the long term. It is feasible and possible to improve seepage return, if required. Redfern was asked to expand on this.

The information presented at the November 16/17 meeting demonstrated a low level of risk of seepage contamination such that the proposed seepage monitoring/recovery well network is adequate. Tailing effluent quality from the mill will be monitored daily to ensure that supernatant quality remains low risk. The British Columbia *Waste Management Act* (WMA) permit will require shutdown of discharges from the mill to the tailing impoundment at specified trigger points. These trigger points will be developed during permitting with input from Alaska.

Item 4. Copies of the requested monitoring plans can be made available once completed.

Conceptual monitoring plans were provided in Redfern's Project Report and correspondence. Detailed monitoring programs as referred to in **Item 3** response above will be developed during processing of the WMA effluent permit in full co-operation with Alaska and the EPA. The first step will be to require that Redfern submit a proposed monitoring program as part of the WMA effluent permit application. Monitoring results will be used to determine any new regulatory requirements necessary for added contingencies and/or remediation.

Item 5. Inspection and enforcement requirements are defined in British Columbia and Canadian federal legislation and regulations.

Redfern must submit an Annual Reclamation Report one year after the *Mines Act* permit is issued, and annually by March 31 thereafter. Reclamation inspections will start once the *Mines Act* Permit is issued. Under the *Mines Act* the Chief Inspector of Mines can close the mine for non-compliance with any of the Permit conditions. Any shutdown will be orderly and ensure environmental values are protected. Permit requirements are provided in Annex 2.

DOE has conducted an inspection of the ARD discharge at the site and has advised Redfern, through the issuance of formal Warning letters, that the discharge is in likely contravention of the federal *Fisheries Act*. Redfern has been asked to prepare a mitigation strategy to resolve the problem. If the problem is not resolved in a timely manner, DOE will consider further enforcement action in accordance with its enforcement and compliance policy (see Annex 4).

Item 6. Canada and British Columbia agree that there must be bonding to cover site reclamation requirements.

Adequate bonding (see Annex 2, references 1, 2 and 3) will be a condition of the Permit issued under the *Mines Act*. The bond will cover all the reclamation and decommissioning costs including long term maintenance, monitoring, collection and treatment of acid mine drainage. Two policy documents are included in Annex 2 which outline BC-MEM's position on mine reclamation security.

Issue 1(c) – Migratory Birds

US Proposed Remedy 1(c) – Conduct seasonal avian surveys determining species, habitat use and abundance, in area impacted by proposed development. Mitigate for any loss in habitat of migratory birds.

BC-MEM and BC Ministry of Forests (BC-MOF) will specifically address the issue of migratory bird habitat assessment, conservation and mitigation in the mine and road reclamation permits, respectively. Also refer to Issue 1(b) Item 5 and Item 6.

CWS agrees with the remedy and also agrees that Redfern should mitigate for any loss in habitat of migratory birds. CWS will review Redfern's mine and road permit applications, upon request by BC-MEM and BC-MOF to ensure that Redfern is committed to undertaking all monitoring requirements, and any necessary mitigation measures for the protection of migratory

birds and their habitats prior to the granting of the permits. CWS will provide input to the reclamation permitting process for decommissioning the minesite upon request by BC-MEM.

2. Water Quality

Issue 2(a) – Development of design specifications covering mixing zones

US Proposed Remedy – Fully develop design specifications that affect the mixing zone so that it encompasses the minimum practicable area of stream and ensure the specifications meet Alaska's requirements before a decision to proceed with development of the mine.

BC-MELP has reviewed the Alaska Mixing Zone Regulation (MZR) and agrees with the proposed remedy as it relates to the decision on a *Waste Management Act* (WMA) permit.

Canada and BC-MELP will continue working with Alaskan counterparts to require a minimum mixing zone matching Alaskan requirements and no new discharge will take place prior to issuance of the WMA permit. Canada reviews WMA permit applications for compliance with the Canada *Fisheries Act*. Canada requires no acute toxicity at the end of the pipe and has a compliance evaluation and enforcement program to complement the provincial permit compliance and enforcement procedures. A minimum mixing zone will be a requirement of all agencies.

Issue 2(b) –Chronic Mine effluent toxicity

US Proposed Remedy – **(1)** Conduct a series of chronic toxicity bioassays to determine potential effects of mine and tailing impoundment water to both fish and aquatic invertebrates at most sensitive life history phases. **(2)** Complete these bioassays before mine development is approved, so that any problems can be addressed through the approved design of water treatment facilities plans. **(3)** Compare Canada/BC water quality criteria with AK/US water quality criteria to determine if they will meet AK/US standards.

Canada and BC-MELP agrees with the 3 items identified in the remedy as it relates to the issuance of the WMA permit and the approach to be undertaken is summarized below.

Items 1 and 2- BC-MELP requires chronic toxicity testing prior to authorizing mining discharges, and agrees with the proposed remedy. A chronic and acute toxicity testing program will be part of the pre-development WMA permitting process and will account for the sensitive life histories of fish and aquatic invertebrates which exist within the proposed mixing zone(s). The program will be implemented so that the results will be incorporated in the final design of water treatment facilities, prior to the issuance of final effluent permit authorization under the WMA.

Chronic toxicity testing along with monitoring of receiving environment aquatic life, water quality and sediment quality will be a part an environmental effects monitoring program as part of WMA permitting. It will encompass construction, operational and post-closure periods of the project and will include assessment of both road and minesite impacts to aquatic resources. These assessments will be used to refine the management of the project under WMA permit.

Item 3 - BC-MELP has reviewed the water quality criteria (for the protection of aquatic life) of each of the four jurisdictions for the metals which are of concern for this proposed project. In all but one case the BC/Canada criteria meet or exceed those of the US and Alaska. In the case of lead, the US chronic criterion for protection of aquatic life is the most stringent by a factor of six. BC-MELP will apply the most stringent water quality criteria for use in project permitting and mixing zone regulation, where appropriate.

It has been determined that for at least five metals (Al, Cd, Cu, Pb and Zn), ambient concentrations exceed applicable criteria, and that site specific water quality criteria (as defined in the Alaska Mixing Zone Regulation) or water quality objectives (as defined under BC-MELP policy) will be required. Methods to be used in setting these site specific criteria or objectives will be comparable to those used in Alaska and the US. This will be ensured through the development of a terms of reference to be reviewed by the Alaska DEC and US EPA.

Issue 2(c) – Turbidity and Sedimentation

US Proposed Remedy – (1) Conduct adequate baseline studies to determine pre-development stream bottom structure, water quality and discharge conditions through all seasons. Reliably project worst case conditions in order to assess potential effects to fisheries. **(2)** Require emergency settling ponds for any accidental water releases that exceed permitted turbidity standards from initiation of construction due to legacy of old mine.

BC-MELP agrees with the 2 items identified in the remedy and the approach to be undertaken is summarized below.

Item 1 - BC-MELP agrees that additional baseline studies of the Tulsequah River must occur to adequately characterize stream morphology and water quality, and to project hydrologic conditions during proposed discharges. Terms of reference for these additional baseline studies will be developed in consultation with Alaska DEC and US EPA prior to the 1999 field season. Results of these and previous baseline studies will be incorporated in a risk assessment based on terms of reference previously developed for the Greens Creek project by the Alaska DEC. This risk assessment will project worst case conditions in order to assess potential effects to fisheries.

A reasonably expected worst case scenario (see W. Jackson/T. Eaton letter Nov.27/98, Annex 1) would be a very large very low probability meteorological flood that would impinge against the armoured dike of the tailing facility. This could be expected to cause some damage above the level of armouring. However a release of tailing would not be expected. During operation of the project additional site specific hydrologic data will be collected. This standard 'observational approach' will ensure the adoption of a conservative design to ensure the long term security of

the tailing facility prior to the end of mine operation. In the interim, the 1:200 year flood design criteria for the mine operation period is considered to provide adequate protection.

Item 2 - BC-MELP, in consultation with Canada and U.S. agencies, will set permitted discharge concentration limits for suspended sediments (non-filterable residue and/or turbidity) which will apply to runoff during the construction period as well as to discharges of mining related wastewater. BC-MELP will require the installation and use of settling ponds to ensure that waters in excess of permitted suspended sediment concentrations are treated to a satisfactory degree prior to release.

Issue 2(d) – There is no assurance that the Canadian government will address Alaska's concerns in permits, including specific requirements.

US Proposed Remedy – (1) Identify the specific numerical water quality criteria, effluent limits, monitoring and other requirements which will be incorporated into the permit, such as BMP plans for construction, operation and maintenance of the mine shafts, facilities and roads. (2) Reference the specific Canadian policies and procedures in place that assure compliance with permit conditions, i.e. compliance inspections, enforcement of permit conditions, reporting requirements, corrective actions, sanctions, and penalties. (3) Define a process allowing Alaska to assure that appropriate requirements are included into the permit, including the development and implementation of a closure plan with contingencies for temporary or early closure.

Canada and British Columbia agree with the 3 items identified in the remedy and the approach to be undertaken is summarized below.

Item 1 - To resolve matters of difference BC-MELP, BC-MEM, EC and DFO will refer all permit applications to Alaska/US agencies for full participation in setting the above noted standards. All concerns will be considered and draft permits containing all limits and requirements will be distributed for review and comment prior to authorization. In addition to BC–MELP's WMA permit dealing with mine discharges, DFO's *Fisheries Act* authorization will contain requirements pertinent to sediment control measures for the access road. A Fish and Fish Habitat Mitigation and Compensation Plan to be developed in support of the *Fisheries Act* authorization will require development of factors listed in Appendix 6 of Appendix 11 of the Tulsequah Project Committee Recommendations Report to BC Ministers, including: independent environmental supervision (Appendix 1 of Appendix 11) with trigger criteria for temporary work stoppages; Road Drainage Management Plan; vehicle servicing restrictions near watercourses; fish passage provisions; fish salvage provisions; application of timing windows for instream work; full bench road design; restrictions on bridge preservatives; and road area revegetation requirements among others.

Item 2 - Annex 4 and 5 to this document respectively provide information regarding Environment Canada, Fisheries and Oceans Canada and British Columbia compliance and enforcement legislation, policies, plans and procedures.

More information on Environment Canada's enforcement programs can be found on the following websites:

www.ec.gc.ca/enforce/prosec/ , and

www.pyr.ec.gc.ca/ep/programs/eppy/enforce/index.html

More information on the British Columbia Ministry of Environment, Lands and Parks compliance and enforcement programs and policies can be found on the following website:

www.env.gov.bc.ca/epd/cpr/admin/cpr.html

Item 3 - Please see Issue 1(b), Item 4, Issue 2(a) and Issue 2(d), Item 1.

3. Fisheries

Issue 3(a) – Toxicity of Mixing Zone to Aquatic Biota

US Proposed Remedy – (1) Determine mixing zone toxicity to aquatic biota at all life history phases and **(2)** develop mitigation plans to fully replace loss of aquatic biota important to sustaining anadromous fish populations.

Canada and British Columbia agree with the 2 items identified in the remedy.

Item 1 - See response to Issue 2(b) Item 1.

Item 2 Canada requires that end of pipe discharge must be shown to be non-acutely toxic. With further refinements in discharge management resulting from the aquatic effects monitoring program as outlined in Item 1, any chronic effects to aquatic resources may be further mitigated. Canada takes a position that source control is the only acceptable approach to pollution, and as such, does not support any regulatory regime that would adversely affect ecological functions to the point that replacement of aquatic biota was required.

On an overall basis, it is expected that the nutrient loadings from treated sewage discharges and blasting residues will enhance productivity in this setting. Experience has shown that these discharges can be treated and managed to avoid any negative impacts in a nutrient deficient system such as the Tulsequah River.

Issue 3(b) – In-stream fish mortality

US Proposed Remedy –(1) Determine fish movement and spawning in effluent receiving waters and downstream flow regimes. **(2)** Avoid risk to anadromous fish populations.

Canada and British Columbia agree with the 2 items identified in the remedy.

Item 1 - BC-MELP will incorporate this issue into the terms of reference for additional baseline studies. US EPA and Alaska DEC are asked to participate in the development of the terms of reference and review the results of these baseline studies in the context of WMA permitting.

Item 2 - BC-MELP and DFO agree that this issue should be the focus of project planning and permitting/authorization for the road and mine. For this issue to be dealt with sufficiently, it requires both pre-development planning and ongoing environmental effects monitoring for the life of the project and post-closure period.

DFO's *Fisheries Act* authorization will legally append a Fish and Fish Habitat Mitigation and Compensation Plan comprised of 14 sub-plans designed to avoid risk to anadromous and resident fish populations. As outlined in Appendix 6 of Appendix 11 of the Tulsequah Project Committee Recommendations Report and BC Ministers, this Fish and Fish Habitat Mitigation and Compensation Plan is yet conceptual and to be finalized prior to issuance of a *Fisheries Act* authorization. U.S. Agencies will be invited to participate in the development of the plan, as indicated earlier. Sub-plans will include:

- An independent Environmental Supervision Program (Appendix 1 of Appendix 11of the Tulsequah Project Committee Recommendations Report) with trigger criteria for temporary work stoppages;
- Road Drainage Management Plan diverting surface water to vegetation or settling ponds;
- Aquatic Effects Monitoring, as discussed above;
- Sediment Control measures;
- Vehicle Servicing restrictions near watercourses;
- Fish Passage provisions at stream crossings – use of clear span bridges or open-bottom culverts over important fish habitat;
- Fish Salvage provisions;
- Application of Timing Windows for instream work;
- Full Bench road design in critical areas;
- Restrictions on Bridge Preservatives;
- Revegetation of cuts/fills/sideslopes as required;
- Instream Habitat Creation proposed by the proponent at road crossings of fish streams;
- Access Restrictions;
- Follow-Up Monitoring;
- Compensation measures for Sioko River bridge, and causeways in Tulsequah River.

United States Concerns – Long Term Development of the Taku River Watershed

US Proposed Remedy - **(1)** Undertake an assessment of potential cumulative environmental impacts that addresses all transboundary impacts to the United States prior to a decision approving road through a vast roadless area. **(2)** It should include a full assessment of wildlife

and potential impacts to fish and wildlife habitat along any alternate transport routes and approve a route and design that protect fish and wildlife.

Canada-British Columbia are confident that the review to date and the information provided at the November 16/17 meeting have addressed the items raised in the remedy. On the question of long-term watershed management and planning US agencies are invited to participate in the British Columbia land use planning process for this area.

Item 1 - A comprehensive assessment of the potential for cumulative effects was undertaken as part of the overall review of the Tulsequah project. The results of both the broader assessment (looking into the future), and the potential for cumulative water quality effects arising from the development of the Tulsequah project and the historic and current water quality from the Tulsequah, Big Bull and Polaris Taku mine sites, were presented in the Tulsequah Project Committee Recommendations report.

There are no identified forest resource values, mine projects other than the potential for the Polaris Taku re-opening, access road requirements for other mineral claims in the Taku/Tulsequah watershed, or other developments expected to be put forward prior to the completion of a land use plan for the area, which is scheduled to begin in about five years.

In addition to the cumulative effects assessment, a number of access management strategies are to be put in place as the project development proceeds to ensure that the access does not contribute to a cumulative effect on the resource values of the Taku and Tulsequah River watersheds. These include:

- The Tulsequah access road being approved under the British Columbia *Mining Right-of-Way Act*, that authorizes Redfern to control public access on its private industrial road;

- Terms and conditions under the *Mining Right-of Way Act* approval for the road that holds Redfern responsible for ensuring public access control in accordance with the access management plan put forth by Redfern and agreed to by project committee members;

- A Redfern-sponsored and funded public access management plan that consists of a 24hr-7 day per week controlled gate to ensure access control;

- A Redfern corporate policy prohibiting company employees and contractors from carrying firearms, hunting or fishing while employed by Redfern anywhere within the public access controlled area of the Taku and Tulsequah River watersheds;

- A British Columbia Ministry of Environment, Lands and Parks ability to develop and enforce restrictive harvest regulations as a complement to access management strategies, if required;

- Department of Fisheries and Oceans monitoring and re-allocation of the Canadian allowable commercial fish harvest, if British Columbia First Nation fishers choose to change fishing locations;

- The British Columbia Ministry of Forests commitment to not allocate any timber tenures or harvest approvals in the Taku River watershed not currently accessed, until such time as a future land use plan has been completed. It should be noted here that the Ministry of Forests have conducted a reconnaissance level assessment of the Taku River area and has determined that the potential for merchantable timber near the proposed Tulsequah mine road is minimal; and

- The Tulsequah Project Committee recommended that the Ministry of Forests consider the establishment of a Resource Management Zone along the access road until such time as a land use plan could be completed, if it was determined to be necessary. This plan would prevent any timber harvesting except that required for the access road development.

In summary the overall review to date has concluded **that the development of the Tulsequah mine will improve existing water quality in the lower Tulsequah and Taku Rivers, by eliminating the current ARD drainage from the old mine workings.** As well, there are no projects other than the potential re-opening of the Polaris Taku mine (no development plans to date) that could be identified in the cumulative effects assessment that may be proposed prior to the development of a future land use plan, that would create a potential for transboundary or cumulative effects.

Item 2 - A full assessment of transportation options was undertaken as part of the overall review of the Tulsequah project. The barge option was legally removed from review in June 1997, and Redfern conducted a reconnaissance level assessment of all-Canadian private industrial access road alternatives. The access route chosen avoided lands set aside under the Province's Protected Area Strategy. Plans to properly mitigate for any potential for fish and wildlife habitat and population disruption have been determined to be adequate to ensure the potential for adverse effects will not be significant in a British Columbia or transboundary context.

Canada-British Columbia remedy for addressing long term watershed planning and cumulative effects.

British Columbia reiterates its invitation to Alaska to develop a protocol for participating in British Columbia's well-founded land use planning process for the Taku River watershed, set to begin in about five years. This comprehensive land use planning process provides for:

- multiple stakeholder participation;
- consensus based recommendations to the British Columbia Cabinet on a full range of potential land uses; and
- established zonation, objectives and strategies to guide the implementation of land use, once approved.

As indicated in the May 21, 1998 Binder response, the legislative and policy environment for British Columbia land use planning includes the participation of neighbouring jurisdictions. A precedent for Alaska participation in the Taku land use planning process has been established by the protocol for participation of the States of Montana and Idaho in the development of the Kootenay Boundary Land Use Plan in south-eastern British Columbia.

When a land use plan for the Taku/Tulsequah area is to be undertaken British Columbia is willing to develop a similar protocol for Alaska participation in the planning that:

- meets Alaska's requirements for information and involvement in planning that takes place in adjacent areas in British Columbia;
- fosters communication and co-operation between governments; and
- recognizes respective jurisdictional responsibilities.

December 12, 1998

INTERNATIONAL JOINT COMMISSION (IJC)
WATERSHED BOARD STRATEGY

The IJC's Watershed Board strategy proposes the establishment of IJC appointed boards to provide land-use planning and resource management for all "transboundary watersheds" within Canada and the United States. Implementation of this strategy would allow the IJC to effectively usurp land-use planning decisions and jurisdiction over provincial and state resources. A review of the report prepared by the IJC provides some insight into the Watershed Board strategy, and raises a number of serious concerns about its implications.

Despite clearly stating that "The Commission does not ... intend to make proposals that would require amendments to treaties or international agreements.", the 21st Century report proposes a new definition for transboundary waters, which is different from that stated in the Boundary Waters Treaty. This is clearly an amendment to an existing treaty and would dramatically increase the authority of the IJC. This is best illustrated by comparing the definition of "boundary waters" in the Boundary Waters Treaty with the proposed revision:

Boundary Waters Treaty:

> "...boundary waters are defined as the waters from main shore to main shore of the lakes and rivers and connecting waterways, or the portions thereof, along which the international boundary between the United States and the Dominion of Canada passes, including all bays, arms, and inlets thereof, *but not including* tributary waters which in their natural channels would flow into such lakes, rivers, and waterways, or waters flowing from such lakes, rivers, and waterways, or the waters of rivers flowing across the boundary."

Proposed New Definition:

> "An international drainage basin is the entire area, known as the watershed, that contributes to the principal river, stream, or lake or other common terminus."
>
> "The waters of an aquifer that is intersected by the boundary between two or more States are international groundwaters and such an aquifer with its waters forms an international basin or part thereof."

Adoption of this new definition would expand the jurisdiction of the IJC beyond, and in direct contradiction to, the intent of the Boundary Waters Treaty. The phrase "other common terminus" can only mean tide water, and introduces a new category of transboundary water, for example the Fraser River, which was never intended by the Boundary Waters Treaty.

The 21st Century report also states that "The Commission does not intend to propose venturing into areas where other institutions are successfully involved...", yet it is

difficult to see how this can be reconciled with the proposed responsibilities of Watershed Boards. The IJC envisions that the "... international watershed boards will offer a means of coordinating the efforts of federal, state, provincial, municipal and other authorities." and that the boards will "...coordinate with existing agencies and institutions in the watershed."

In studying some of the issues involved in watershed management, the IJC states that it will "... look to establish partnerships with departments, agencies, binational inter-governmental organizations, universities and foundations to avoid duplication and to take full advantage of work that has or can be done elsewhere, *provided only that such arrangements are satisfactory to the IJC and its binational advisory institutions*." In contrast to its stated intention, the IJC not only wishes to venture into areas where other institutions are successfully involved, but it means to ensure that it has control over those areas.

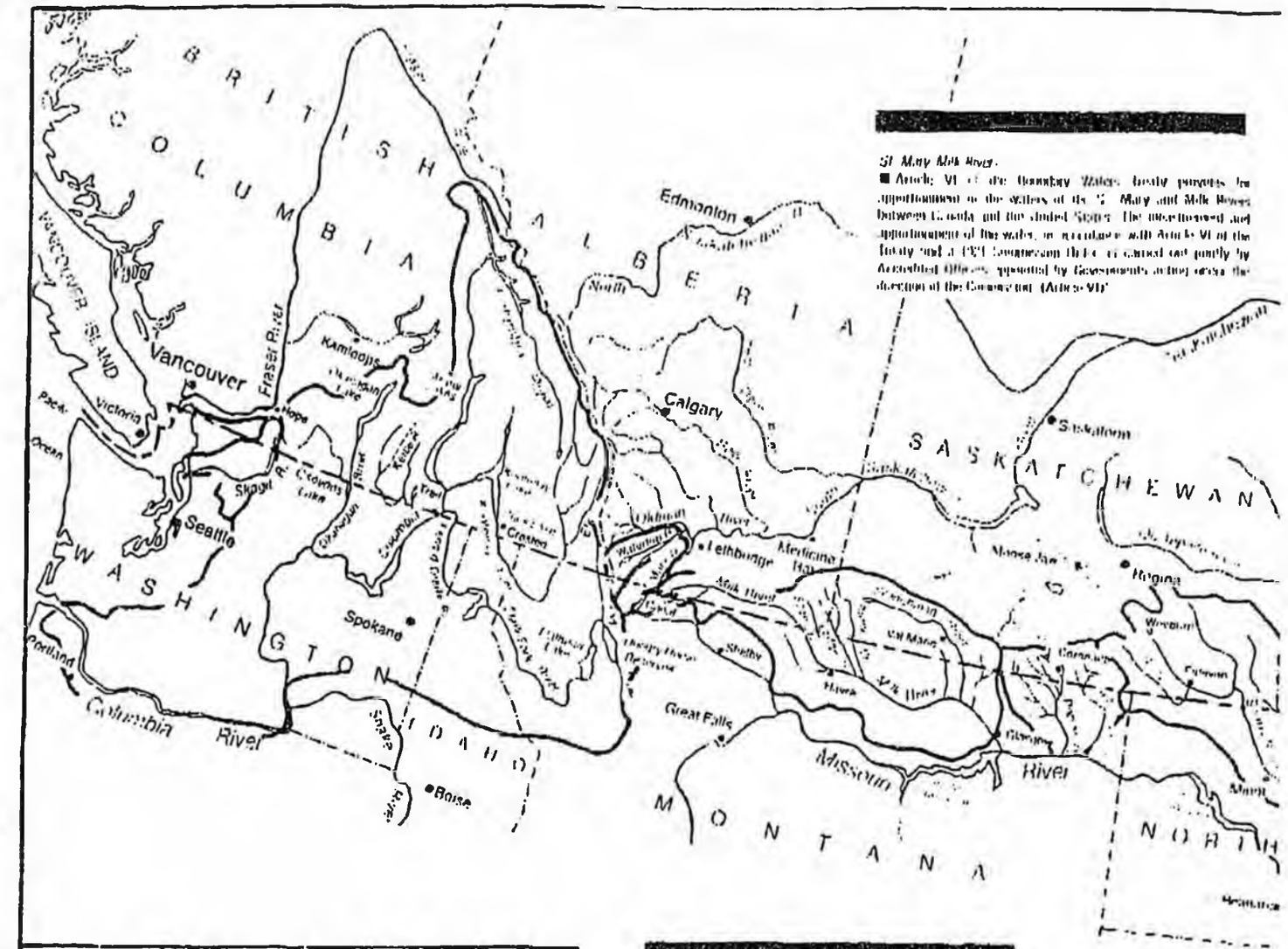
Perhaps the most disconcerting aspect of the Watershed Board strategy is its apparent anti-development disposition. Watershed boards would adopt "an integrative, ecosystem approach" to watershed management. The 21st Century report suggests that environmental protection will be the goal of watershed management, presumably at the expense of responsible resource development. An example of this philosophy is provided by the report's description of the Flathead River review undertaken by the IJC in the 1980's. The review involved a proposed coal mine on a tributary creek to the Flathead River in southeastern B.C. After 5 years of study, the IJC recommended that the project not be allowed to proceed. In the 21st Century report, the IJC describes this conclusion as "... a sustainable development approach for the upper Flathead basin."

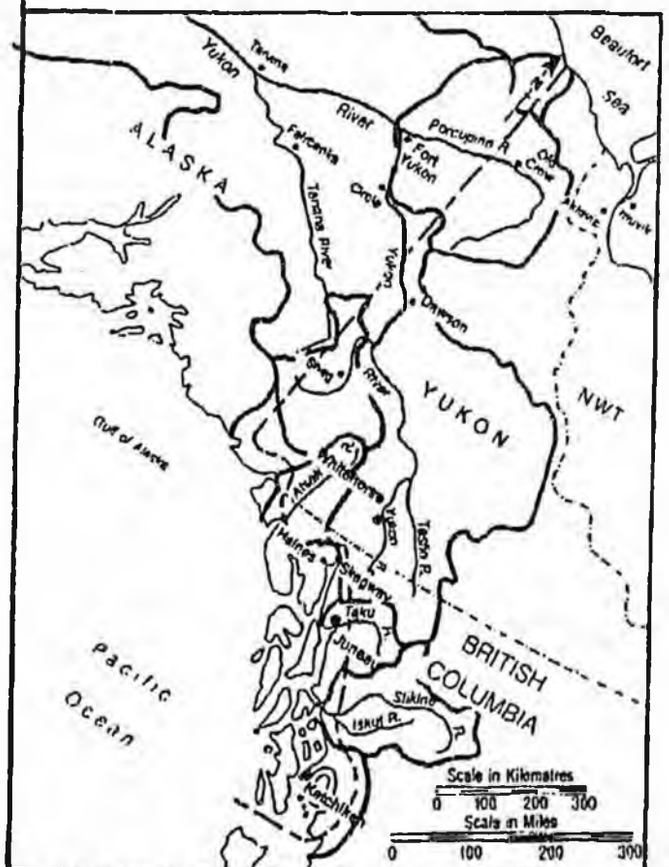
The IJC and the 21st Century is an alarming document. It describes a plan which would allow the IJC to expand far beyond its current purpose, and would fundamentally change the way natural resources are managed. It indicates that the IJC would like to change the Boundary Waters Treaty, its governing contract, and to gain control over current resource management and land-use planning agencies, despite reassurances to the contrary. It describes a decision to refuse a mine permit as a sustainable development approach. It states that "... policymakers must often act in the absence of absolute scientific proof of cause and effect."

Enclosed with this letter is the table of contents of the 21st Century report and the text of the Watershed Board section. The entire report is available on the internet at:

www. Ijc.org/comm/21ste.htmSec1C7

This is an issue which threatens to destroy the ability of the provinces and states to manage their own resources. We urge you to express your concern to Lloyd Axworthy, and convey to him your strong opposition to the Watershed Board strategy.





St. Mary-Milk Rivers

■ Article VI of the Boundary Waters Treaty provides for apportionment of the waters of the St. Mary and Milk Rivers between Canada and the United States. The determination and apportionment of the waters in accordance with Article VI of the Treaty and a 1921 Commission Order is carried out jointly by Accredited Officers appointed by Governments acting under the direction of the Commission. (Article VI)*

Kootenay Lake

■ In 1938 the Commission approved the construction and operation of the Corra Linn control structure to regulate Kootenay Lake. The International Kootenay Lake Board of Control supervises the operation of the dam and ensures that certain obligations set for Kootenay River and Duck Lake by the Commission are maintained. (Article IV)*

Columbia River

■ Since 1941 the International Columbia River Board of Control has monitored the effects of the operation of Grand Coulee Dam and Franklin D. Roosevelt Lake on the levels and flows of the Columbia River at the boundary and reported on compliance with the 1941 Commission Order of Approval. (Article IV)*

■ Differences arising under the 1961 Columbia River Treaty which Canada and the United States of America cannot resolve may be referred by either to the International Joint Commission for decision. (Columbia River Treaty)*

Osoyoos Lake

■ A new control structure (Zosel dam) to regulate the levels of Osoyoos Lake was completed in 1987. The International Osoyoos Lake Board of Control supervises the operation of the dam to ensure compliance with conditions established by the Commission in its 1982 Order of Approval, amended in 1985. (Article IV)*

Souris-Red Rivers

■ The International Souris-Red Rivers Board was established by a Reference from the Governments of Canada and the United States to assist the Commission in the apportionment of waters of the Souris and Red Rivers. (Article IX)*

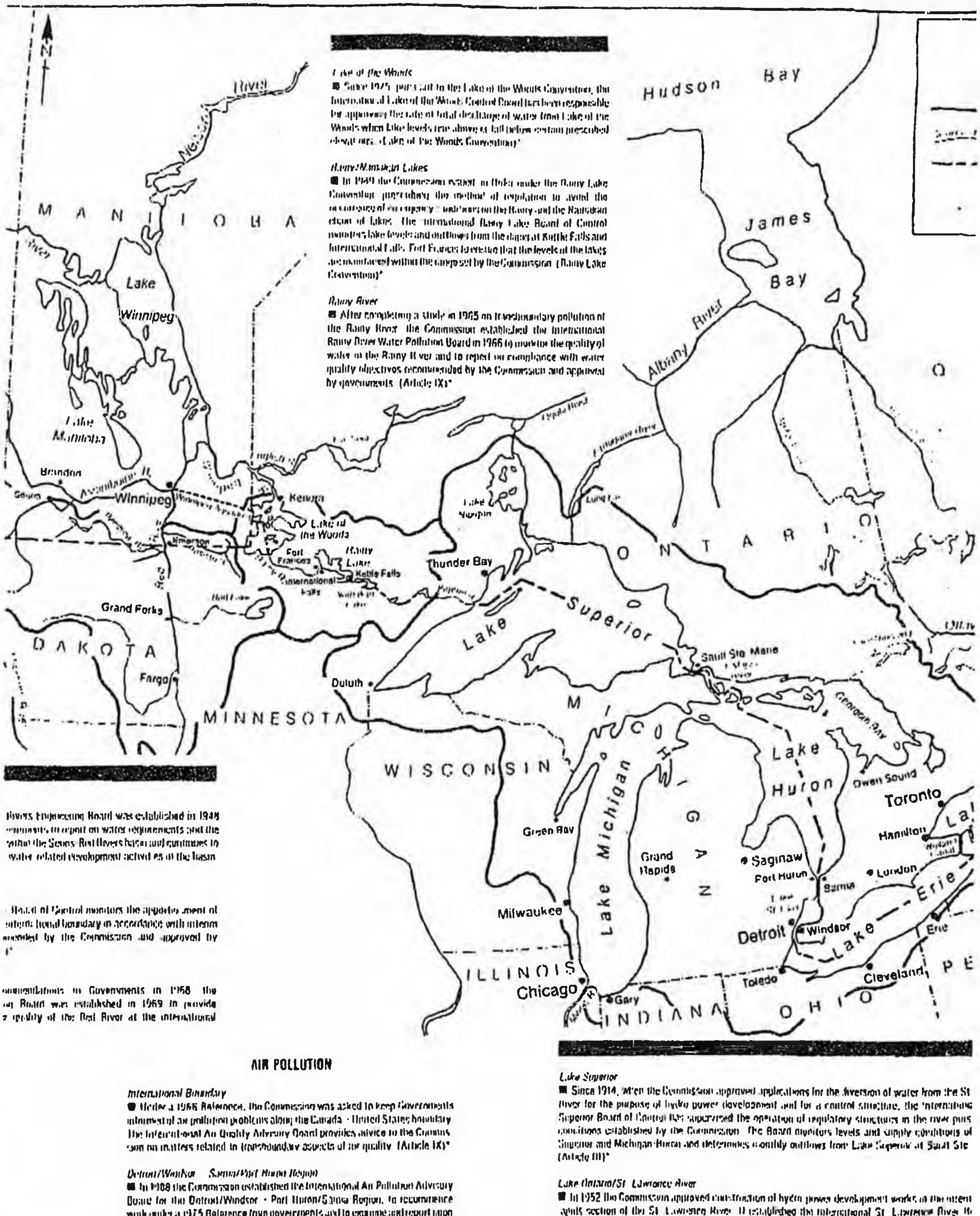
Souris River

■ The International Souris River Board was established by the Commission to assist in the apportionment of waters of the Souris River at the International boundary between Canada and the United States in 1959. (Article IX)*

Red River

■ Based on Commission recommendations, the International Red River Pollution Board was established in 1969 to maintain surveillance of water quality in the Red River. (Article IX)*

Produced by Gregory Geoscience Limited, 1990.



Lake of the Woods

■ Since 1925, pursuant to the Lake of the Woods Convention, the International Lake of the Woods Control Board has been responsible for approving the rate of total discharge of water from Lake of the Woods when lake levels rise above or fall below certain prescribed elevations. (Lake of the Woods Convention)*

Rainy/Namakan Lakes

■ In 1949 the Commission issued an Order under the Rainy Lake Convention prescribing the method of regulation to avoid the recurrence of emergency conditions on the Rainy and the Namakan chain of lakes. The International Rainy Lake Board of Control monitors lake levels and outflows from the dams at Kettle Falls and International Falls, Fort Frances to ensure that the levels of the lakes are maintained within the range set by the Commission. (Rainy Lake Convention)*

Rainy River

■ After completing a study in 1965 on transboundary pollution of the Rainy River, the Commission established the International Rainy River Water Pollution Board in 1966 to monitor the quality of water in the Rainy River and to report on compliance with water quality objectives recommended by the Commission and approved by governments. (Article IX)*

Rivers Engineering Board was established in 1948 ... to report on water requirements and the ... within the Souris-Red Rivers basin and continues to ... water related development activities in the basin

... Board of Control monitors the apportionment of ... international boundary in accordance with interim ... recommended by the Commission and approved by ...*

... recommendations to Governments in 1968, the ... Board was established in 1969 to provide ... quality of the Red River at the international

AIR POLLUTION

International Boundary

■ Under a 1966 Reference, the Commission was asked to keep Governments informed of air pollution problems along the Canada - United States boundary. The International Air Quality Advisory Board provides advice to the Commission on matters related to transboundary aspects of air quality. (Article IX)*

Detroit/Windsor - Sarnia/Port Huron Region

■ In 1988 the Commission established the International Air Pollution Advisory Board for the Detroit/Windsor - Port Huron/Sarnia Region, to recommence work under a 1975 Reference from governments and to examine and report upon the actual and potential hazards posed to human health and the environment from airborne emissions in the region. (Article IX)*

Lake Superior

■ Since 1914, when the Commission approved applications for the diversion of water from the St ... River for the purpose of hydro power development and for a control structure, the International ... Superior Board of Control has supervised the operation of regulatory structures in the river pursuant to conditions established by the Commission. The Board monitors levels and supply conditions of ... Superior and Michigan-Huron and determines monthly outflows from Lake Superior at Sault Ste ... (Article III)*

Lake Ontario/St. Lawrence River

■ In 1952 the Commission approved construction of hydro power development works in the International Rapids section of the St. Lawrence River. It established the International St. Lawrence River Board of Control to monitor the discharge of water from Lake Ontario and the flow of water through the International Rapids section of the St. Lawrence River. The Board also supervises a small diversion of water from the St. Lawrence to improve summer flows in the Raquette River in accordance with a Commission Order of Ap... (Article III)*

The Charge to the IJC from the Governments April 16, 1997

The governments of the United States of America and Canada have agreed to request the advice of the International Joint Commission on how the Commission itself might best assist the parties to meet the environmental challenges of the 21st Century within the framework of their treaty responsibilities.

The governments affirm that the International Joint Commission, under the Boundary Waters Treaty of 1909 and the Revised Great Lakes Water Quality Agreement of 1978, and through its various Boards of Control and its Water and Air Quality Boards, has assisted the United States and Canada in establishing the best environmental relationship of any two countries in the world.

The Governments of Canada and the United States of America reaffirm their commitment to the IJC and its important role in fostering cooperative action in support of the health and well-being of their citizens and the natural ecosystems along the border. The governments recognize that these ecosystems constitute an environmental and economic resource of tremendous value that must be conserved and protected into the next century and in perpetuity for the mutual benefit of present and future generations of both countries.

The governments further recognize that the environmental challenges faced collectively by our peoples have grown in size and complexity, requiring strengthened collaborative action.

With a view toward confronting these challenges, the Governments of the United States and Canada request the International Joint Commission, in consultation with governments and others that the IJC deems appropriate, to examine its important mission in the light of relevant agreements and references, and to provide to the parties, within the next six months, proposals on how the Commission might best assist the parties to meet the environmental challenges of the 21st century within the framework of their treaty responsibilities.

EXCERPT FROM "THE IJC AND THE 21ST CENTURY"

The IJC and the 21st Century

Response of the IJC to a Request by the Governments of Canada and the United States for Proposals on How To Best Assist Them to Meet the Environmental Challenges of the 21st Century.

"In recent years, in region after region, we have found that our diplomacy has been influenced by successor failure in managing the environment. This shouldn't surprise us. After all, competition for scarce resources is an ancient source of human conflict. In our day, it can still elevate tensions among countries or cause ruinous violence within them.... By definition the global environment deeply affects our own people."

Madeleine Albright
Press Remarks on Earth Day
April 22, 1997

"Environmental degradation and resource scarcity are the underside of globalization. They are threats to human security that respect no boundaries. Faced with this kind of threat, the old approaches will not be sufficient. And finding new approaches will not be easy or non-controversial. But we have substantial assets and skills to bring to bear on the problems.... And we have the strongest reasons possible to get our answers right: the future of our children, and of our children's children."

Lloyd Axworthy

Address on Sustainable Development
April 17, 1997

Table of Contents

Proposal I: Establishment of International Watershed Boards

The International Joint Commission proposes to build on the successes of the Great Lakes Water Quality Agreement by offering to provide similar opportunities to other major transboundary basins through the establishment of permanent IJC international watershed boards. These boards would provide a much improved mechanism for avoiding and resolving transboundary disputes by building a capacity at the watershed level to anticipate and respond to the range of water-related and other environmental challenges that can be foreseen for the 21st century. This includes effective coordination of government institutions at various levels, acquisition and fostering of expertise, knowledge and information about the ecosystem of the watershed, consultation with and involvement of the full range of interests concerned, including the public, and above all the flexibility to identify and deal with unforeseen developments. This improved mechanism could be implemented without substantially affecting existing institutions.

In the past, transboundary water issues were often seen as localized at a specific dam or structure, or were examined as pollution problems in isolation from other factors. Experience with the Great Lakes Water Quality Agreement and the ecosystem approach have changed that perspective. Transboundary water issues must be addressed in an integrative manner, including both biophysical and human aspects.

Outside the Great Lakes region, however, existing IJC boards continue to deal with water issues under mandates that focus primarily on administering the terms of Commission orders or, in some cases, monitoring water pollution or apportionment arrangements. Even within the Great Lakes, distinctions are drawn between matters of water quality and quantity, and the three Great Lakes control boards are involved primarily in regulating the structures at Sault Ste. Marie, Niagara and Cornwall-Massena. By contrast, the new international watershed boards would adopt an integrative, ecosystem approach to the full range of water-related issues that arise in the transboundary environment, including consumptive uses, diversions and effects of air deposition and volatilization on water quality. Control boards will, however, have to remain to administer provisions of the IJC's legally-required approvals of certain structures.

For almost ninety years, the IJC has been involved in preventing disputes and resolving problems on transboundary watersheds between Canada and the United States. During that period, difficulties between the two countries over water have not degenerated into conflict and, for the most part, transboundary water resources have been managed successfully for the common benefit of Canadian and U.S. citizens. The Commission and its system of boards have played a major role in this achievement.

Demographics, climate change and technologies are, however, combining to increase the potential for conflict over water resources and other environmental concerns. At the same time, resolution of these issues is often made more difficult by changing governmental responsibilities at all levels and by demands from many interests to be involved in decisions that affect them. Changes in jurisdiction and governance may not always be the same on both sides of the border. IJC boards provide a proven means for dealing with such changes and with asymmetrical governance situations in an integrative and non-adversarial way. The Commission is vitally interested in coordinating the new watershed boards with any regional (e.g. provincial-state) structures that may already exist. This will in some instances, be facilitated by inviting members of regional institutions to serve on, or be associated in some way with, the relevant IJC watershed board.

Although governmental roles are changing, federal, provincial, state and other forms and levels of government will all continue to play important roles in transboundary water and environmental issues. In the Great Lakes Basin, the IJC's Great Lakes Water Quality boards have served as neutral forums in which federal, state and provincial decision-makers could meet to discuss issues, develop ideas, coordinate activities, reconcile differences and achieve efficiencies in water quality policies and programs that further the common interests of the region and both countries. This is a role that permanent IJC international watershed boards could be given a mandate to play in other transboundary basins. It could serve as a link that would help the U.S. Environmental Protection Agency and Environment Canada as well as state and provincial agencies address transboundary issues in the watershed in a coordinated and concerted manner.

The requirement for regional bodies to deal with transboundary environmental and water issues has been reflected in the growth of provincial-state arrangements discussed above. IJC boards can complement and contribute to these arrangements by bringing binational perspectives and expertise to bear on regional issues in ways that respect local concerns and responsibilities. Unlike the state- provincial bodies, the IJC's international watershed boards will offer a means of coordinating the efforts of federal, state, provincial, municipal and other authorities. This is essential when responsibility for related issues rests with different levels of government in the

two countries.

Permanent IJC international watershed boards would provide governments at all levels, and the public at large, with independent binational institutions composed of persons expert in, and in some cases with responsibilities for, the watershed. The boards would encompass the public, private and non-governmental sectors, but would be committed to acting in the common interest. There are clear advantages to be gained from having stable, long-lived yet flexible institutions. Members would be accustomed to working together and the board itself would be a source of watershed history and experience. The boards' membership, mandate and priorities would be tailored to the needs of each particular watershed and could be adjusted over time to meet changing conditions and challenges.

International watershed boards of this sort would be available for monitoring, alerting, studying, advising, facilitating and reporting on a broad range of transboundary environmental and water-related issues. Like other permanent IJC boards, they would have the capacity to assist in coordinating the work of multiple jurisdictions and to contribute to the development of consensus among disparate governmental and non-governmental interests. They would also offer standing mechanisms -- which can endure even in times of transboundary tension -- for cooperative management, public consultation, joint fact-finding and dispute prevention and resolution. In recent years, IJC boards have also demonstrated their ability to serve an educational role in fostering knowledgeable transboundary communities and to act as a channel between citizens and governments. In short, boards contribute to the development of binational civil societies and help to build consensus and local capacity for binational action in response to water-resource and environmental challenges.

The IJC has developed considerable expertise in understanding and addressing the interfaces of freshwater, salt water and terrestrial ecosystems. This capacity and expertise should be further developed when the responsibilities of international watershed boards extend to coastal areas.

The IJC could be authorized by reference to establish international watershed boards for the following major transboundary watersheds that extend across the Canada -U.S. boundary, or some regional combination of these watersheds. Together, these boards would provide coverage of most of the Canada - U.S. border region. The watersheds are: St. Croix River and Saint John River; Lake Memphremagog- St Francis River and LakeChamplain-Richelieu River; Great Lakes-St Lawrence River; Rainy Lake-Lake of the Woods-Lake Winnipeg; Red River and Souris River, together or separately; St. Mary River and Milk River; the Columbia River system; Skagit River; Yukon River and Porcupine River; and the Alsek River, Taku River, Stikine River and Iskut River. (A map outlining the areas that would be covered by each international watershed board is attached as Annex C.)

The new international watershed boards would be constituted and directed to adopt a multi-disciplinary, integrative approach that takes appropriate account of all interests and sectors, governmental and non-governmental. While it would be necessary to tailor the mandates of individual international watershed boards to the needs of specific watersheds, these boards could, in general terms, be directed to:

i. coordinate with existing agencies and institutions in the watershed;

ii. assess and report to the Commission biennially on the state of the environment in the transboundary watershed, including the integrity of its ecosystem, water management issues and emerging environmental issues and provide recommendations, where appropriate, for addressing them;

iii. advise on the core data sets that should be maintained by the parties and others for the management of water and the identification of emerging environmental issues in the transboundary watershed;

iv. develop indicators for monitoring and assessing the state of the environment in the transboundary watershed and identify data that would have to be provided by the parties to maintain those indicators;

v. undertake such studies as the Commission may direct, including studies for the purpose of determining the significance of emerging environmental issues in the transboundary watershed;

vi. facilitate, wherever possible, the prevention of disputes and the resolution of problems concerning the environment of the transboundary watershed, for example, by drawing upon information made available through procedures for transboundary impact assessment developed by the parties;

vii. support the development of an informed transboundary watershed community through a range of activities, including the provision of information on principles for watershed management;

viii. receive, consider and investigate comments and complaints from the public about transboundary watershed environmental issues and, as appropriate, draw such matters to the attention of the IJC with recommendations for further action if, in the opinion of the international watershed board, the comment or complaint raises a significant issue that pertains to the integrity of the watershed; and

ix. in the case of international watershed boards whose areas of responsibility extend to coastal areas, address interfaces between freshwater, salt water and terrestrial ecosystems and related environmental issues in adjacent estuaries and marine areas.

In addition, these boards would be directed to:

a. work, as appropriate, in cooperation with other IJC boards, especially the International Air Quality Advisory Board, control boards in the watershed and the Health Professionals Task Force; and

b. follow procedures that promote the involvement of all interested governments and sectors of the transboundary community, including private citizens.

For the purposes of this proposal, "trans-boundary watershed" would be defined as meaning watersheds,[15] including aquifers[16], that straddle the international boundary between Canada and the United States.

To avoid duplication, the work of the IJC's St. Croix, Rainy and Red River Pollution Boards, the

Souris River Board of Control (which monitors an apportionment reference), and the Souris-Red Rivers Engineering Board would be merged into the international watershed boards. The other control boards, including those for the St. Mary and Milk Rivers, would remain in order to perform the specific duties assigned to them under the IJC's system of orders.

Great Lakes Water Quality Institutions

Work on the reference given to the IJC in the Great Lakes Water Quality Agreement has for many years provided a significant share of the Commission's agenda. At the present time, the Commission does its work under the Great Lakes Water Quality Agreement primarily with the assistance of the boards established under the agreement, which, because of the terms of the agreement, focus on water quality issues. At the same time, the IJC orders (and the Niagara reference) on the structures at Cornwall-Massena, Niagara and Sault Ste. Marie provide the mandates for the three Great Lakes control boards. The capacity of the Commission and governments to identify and address transboundary water-resource and environmental challenges will be significantly enhanced in the Great Lakes-St Lawrence River watershed if, as in other transboundary watersheds, there is an institution that can adopt an ecosystem approach and integrate the full range of water-related issues.

There has been a proliferation of environmental and water-related Great Lakes institutions, reflecting the influence that the Great Lakes have over the region. None of these bodies, however, has the capacity of the IJC to bridge and enfold on a permanent basis all levels of government and interests. None of them has the capacity to address issues in an informed, expert, but, at the same time, impartial and dispassionate way, focusing only on the common interests of the region.

The IJC does not wish to add to the multiplicity of existing Great Lakes institutions by introducing a new "Great Lakes Watershed Board" nor does it wish to recommend abolishing the existing institutions, such as the Great Lakes Water Quality and Science Advisory Boards and the Council of Great Lakes Research Managers, which serve the objectives of the Great Lakes Water Quality Agreement. These institutions have in many ways served as the genesis for the Commission's proposal to establish international watershed boards from coast to coast. It therefore seems appropriate to expand the mandate and membership of one of these boards, the Great Lakes Water Quality Board, so that it can take on the role of an IJC international watershed board for the Great Lakes and St. Lawrence River. The Great Lakes Science Advisory Board and the Council of Great Lakes Research Managers would also be directed to expand and adjust their activities when supporting the Great Lakes Water Quality Board in its new role.

The mandate of the Great Lakes Water Quality Board under the Great Lakes Water Quality Agreement would not be altered. The Great Lakes Water Quality Board, as expanded, however, would be asked to assume the additional responsibilities of an international watershed board with respect to transboundary water-related issues in the Great Lakes-St Lawrence River watershed at least as far as tidewater and beyond, if necessary. This means that the Great Lakes Water Quality Board would address all water-related issues in the watershed whether they raise questions of water quality or quantity, including the issues of consumptive uses and diversions. The Great Lakes Water Quality Board would also take on the other functions of international watershed boards, including providing a forum for coordination and consultation among governments and

interests, reporting (in conjunction with its reports under the agreement) on the state of the environment and emerging issues in the transboundary watershed, advising on the core data sets that need to be maintained to address the range of challenges that can before seen, facilitating the avoidance and resolution of disputes, and supporting the development of an informed transboundary watershed community.

All other IJC boards with responsibilities in the Great Lakes region, including the control boards, the International Air Quality Advisory Board and the Health Professionals Task Force, would be directed to adopt an ecosystem approach and to cooperate and work together to the maximum extent possible within their mandates.

Membership of International Watershed Boards

The members of international watershed boards would be selected bearing in mind the nature of the boards' responsibilities and any transboundary issues that have been identified in the watershed. International watershed boards would normally include members drawn from federal, state, provincial, municipal and other authorities with relevant responsibilities. In addition, consideration would be given to including members familiar with relevant interests, including members from the public. Co-chairs of control boards would, as a matter of practice, be appointed to watershed boards, including the Great Lakes Water Quality Board, to provide a link between boards in the same watershed. The IJC would continue its long-standing practice of appointing an equal number of members from Canada and the United States, of requiring members to act impartially in their personal and professional capacities, and of calling on them to seek collegially the common interest of communities in both countries.

The Great Lakes Water Quality Board would expand to reflect its additional functions. It would need, among others, additional members who have knowledge of water quantity issues, the policies of the governments and of key interests involved in these issues. The Commission intends to include members from organizations such as the Great Lakes Commission and the Great Lakes Fishery Commission.

Implementation

International Watershed Boards

The Commission proposes that the Canadian and U.S. Governments provide it with a reference to establish international watershed boards as confirmation of the governments' support for this action.

The Commission would establish the boards at appropriate times, on a staged basis, following consultations with relevant federal, state, provincial, and other authorities as well as bilateral inter-governmental organizations, and after taking steps to identify relevant interests and issues in the watershed.

The Commission would arrange for the establishment of locally situated binational secretariats to support the work of the international watershed boards. In the case of the Great Lakes, secretariat services would be provided by staff of the Great Lakes Regional Office, who would support the watershed work of the Great Lakes Water Quality Board in much the same way as they support its work under the Great Lakes Water Quality Agreement. In other watersheds, the Commission

would provide secretariat services or ask governments with members on an international watershed board to furnish those services. This would be a matter for further consultation with governments in the implementation phase.

[15] "The International Law Association's commentary on Article II of "The Helsinki Rules" states that "An international drainage basin is the entire are, known as the watershed, that contributes to the principal river, stream or lake or other common terminus."

[16] "Article I of the International Law Association's "Rules on International Groundwaters" states that, "The waters of an aquifer that is intersected by the boundary between two or more States are international groundwaters and such an aquifer with its waters forms an international basin or part thereof."

The Governments of Canada and the United States of America have received from the International Joint Commission its seminal report, The IJC and the 21st Century, constituting the response of the Commission to the request of 16 April, 1997 of the two Governments for proposals on how the IJC might best assist the parties to meet the environmental challenges of the 21st century.

In their March 10, 1998 meeting in Ottawa, the Secretary of State and the Minister of Foreign Affairs welcomed the recommendations of the report, and accepted in principle the proposal to establish international watershed boards that would adopt an integrated,, ecosystem approach to transboundary environmental issues.

I have the honor to inform you that, pursuant to Article IX of the Boundary Waters Treaty of 1909, the Governments of Canada and the United States have agreed to ask the International Joint Commission, in consultation with the two federal governments and with the relevant states and provinces, and with tribes, First Nations, and local interests, as appropriate, to carry out the following tasks:

- To further define the general framework under which watershed boards would operate, including, but not limited to mandate, scope of activities, and operating principles, recognizing that boards would be modified to meet the special circumstances of each watershed.

- To recommend a located where the first international watershed board could be established.

- To recommend the structure, composition, and Terms of reference for such a board, including the priority issues that it would address.

- To develop cost projections and possible sources of funding, including innovative funding mechanisms, for the task of forming the first international watershed board, and for the operation of the board, including cost projections for special studies that would be projected to be carried out by the board in the first few years of operation In so doing the Commission and Governments shall be guided by the principle that forming and operating the new board shall entail the least possible requirement for new resources.

- At the same time, to pursue similar consultations with provinces and states, and the Governments of Canada and the United States of America, on the identification of locations, and the development, planning and establishment of additional international watershed boards at appropriate times.

The Governments request the Commission to pursue its activities, examinations, and consultations expeditiously, and to make periodic reports to the Governments as appropriate.

The Governments further request the Commission to initiate its work on these tasks drawing on resources from its current reference levels.

In carrying out these tasks, the Governments encourage the commission to draw upon the expertise, data and technology available from the provinces, states and federal governments, communities, organizations, academic institutions, business, and others as appropriate to

accomplish their task in a comprehensive manner.

As well, it is noted that numerous activities are underway within the international watersheds at federal, state and provincial government levels pertaining to water or land use management, environmental data gathering and monitoring, and other matters relevant to the international watershed board proposal. The Governments urge the Commission to draw upon and complement these initiatives to the extent it deems appropriate.

Jeffrey Williams,
Box 3886,
Wood Street,
Whitehorse, Yukon Y1A 5M6

Mar 31, 1999

Senator Rick Halford
Chair, Senate Resources Committee
State Capitol
Juneau, Alaska 99801-1182
via fax: 1-907-465-4928

re: Senate Resolution No. 7

Dear Senator Halford:

I am a member of the Taku River Tlingit First Nation. I am from the Crow Clan.

This letter concerns the proposed Tulsequah Chief Mine on the Tulsequah River in B.C., within the Traditional Territory of the Taku River Tlingit First Nation(TRTFN).

Mining has been the main stay of the Atlin and TRTFN economies since the gold rush in the late nineteenth century. These communities have relied on the jobs and wealth creation associated with mining. We have seen the industry ebb and flow over time as commodity prices move up and down. We are currently in a serious slump in northern Canada as gold and other metals have fallen in value.

The Tulsequah Chief Project is a hoped for respite from this down turn. It will produce many different metals thus making it relatively immune from the price fluctuations of any one commodity. The Project has been subjected to intense environmental scrutiny, like no other mining project this community has experienced. The owners have expressed not only the willingness but the desire to work with the community to ensure that impacts are minimized and benefits to local people are maximized. Many of us feel confident that the environmental review and the attitude of the company (Redfern Resources) will ensure that the project will be a success for all.

Earlier, environmental groups tried to stop the project by spreading misinformation on the impacts of the project. It has now become clear to us in the north that they have cynically tried to manipulate the TRTFN into opposing the project. The TRTFN is currently split on this issue, with some people still worried about the terrible and inaccurate stories that the environmental groups have been telling. A growing number of the TRTFN look to the project as a key

element in the quest for growth of confidence, wealth, opportunity, and hope that it will provide both the aboriginal and non-aboriginal members of the local area.

This project is important to us in northern B.C. It can be the economic and social engine that starts a renewed beginning for our community and for Atlin, Whitehorse and Skagway. It has been reviewed and approved by an extremely intensive environmental review process. It deserves the support of the State of Alaska in addition to the support it has earned from the governments of Canada and British Columbia. I urge you and your colleagues to ensure that Resolution No. 7 is supported, that the request for a referral to the IJC be withdrawn and that the State of Alaska inform the world of its comfort in working with native and non-native Canadians in the orderly development of the north.

Yours sincerely,

Jeffrey Williams

[redacted] ATT. ROBIN TALOR
FROM DICK FELDMAN

MINE REVIEW & PERMITTING BRANCH,
4th Floor, 1810 Blanshard St.,
Victoria, B.C.,
V8V 1X4

28 March 1995

ATTN: Mr. Norm Ringstad

TO WHOM IT MAY CONCERN

The attached list of names gathered on this Petition is the result of hearing conflicting stories and rumours here in Atlin. Consequently, we decided to find out the actual feeling of people by going to each person and talking and listening to them.

These are people who have lived here most of their lives, and some who have been here only a short time. They all realize that Atlin must have some progress.

We would like it known that we are not affiliated with any Group or Organization in Atlin.

Sincerely,

Richard Feldman

Original - N. Ringstad, Mine Review & Permitting Branch, Victoria
cc - T. Chandler, Redfern Resources Ltd., Richmond
- JI. Williams, Taku River Tlingets, First Nations, Atlin
- R. Wilton, A.P.C. Atlin

office Copy

1/

REDFERN RESOURCES LTD.,
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residen in Atlin, B.C.
Norm Carlson	Box 178 Atlin	10 years
Tom Franke	Box 316 Atlin	5 years
Rob Graham	Box 179 Atlin	1 year
Skip Hale	Box 281 Atlin	15 years
Barbara Hall	Box 134 Atlin	7 years
SHANE BROCKMAN	Box 323 ATLIN	8 YEARS
Jack a Graham	Box 92 Atlin	24 YEARS
Dianne Smith	Box 324 Atlin	20 yrs
Doug	Box 43 ATLIN B.C.	4 yrs.
Joan Carlson	Box 56 Atlin B.C.	25 yrs.
Terry Ross	Box 188 "	7 yrs
Jill Vaalkind	Box 180	1 year
Joe Ackermann	Box 251	20 yrs.
Dan Munro	Box 288	1 yr
Jack Carlick	Box 68	30 yrs.
Terry Thompson	Box 302	13 YRS.
Barbara Adkins	Box 302 Atlin B.C.	13 years
Terri Lynn Mosel	Box 243	1 year.

REDFERN RESOURCES LTD.,
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residen in Atlin, B.C.
Robert Biddleman	Box 172	45 yrs
Tammy Whitney	Box 378	9 years.
Donald Shaw	Box 232	37 years.
Aaron Mckenzie	Box 70	25 years.
Marie Simpson	Box 3870 WH	1 yr.
[illegible]	Box 3870 WH	1 yr.
Brad White	GD	15 YR
Bob Nisbet	Box 314 Atlin BC	15 YRS.
C. Zealer	Box 314 Atlin B.C.	15 years.
Gina M Almeida	Box 293 Atlin BC	10 mo
Michelle Kyle	Box 239 ATLIN, B.C.	7 yrs
John M. Vicha	Discovery Ave. ATLIN B.C.	1 YR
Reg Shaw	Box 238	20 yrs
W. R.G. Fraser	Box 28	34 YRS
[illegible] Johnson	Box 527	3 yrs
Peter Dennis	Box 84	
Leigh Davies	Box 242	Atlin BC 23 yrs
[illegible]		15 years
Terry Moore	Box 25	15 years
[illegible]	Box 225	Atlin 12 years
Leah Anderson	Box 71	Atlin 2½ yrs

3

REDFERN RESOURCES LTD..
205-10711 CAMBIE ST..
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residency in Atlin, B.C.
Bessie Abel	Box 94	17
Trudie Bennie	Box 84	22
Peter Whitney	Box 270	9
Doug Johnson	Box 118	16
Jerry Hutchinson	Box 231	18
Joyce Pond	Atlin	16½
Elsie Braga	ATLIN	47
John Reed	ATLIN	28.
Ruth Stephen	ATLIN	20
Ron Bowden	atlin	25
R. Peterson	ATLIN	15
Corinne Johnson	ATLIN	16 YRS.
Kathy Taylor	Atlin	9 yrs.
[illegible]	Atlin	4 Yrs
[illegible]	Atlin BC	16 Years
[illegible]	Box 324 Atlin	2 2 YEARS

16

REDFERN RESOURCES LTD.,
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residency in Atlin, B.C.
Randy Sands	Box 376	13 yrs
M. Cobb	Box 341	4 yrs.
[illegible]	Box 134	3 yrs
[illegible]	Box 134	6 yrs
[illegible]	Box 134	2 years
[illegible]	Box 18	23 years
[illegible]	Box 28	20 years.
[illegible]	Box 341	6 years
[illegible]	Box 145	2 yrs.
[illegible]	Box 18	3 yrs
[illegible]	Box 258	2 years
[illegible]	Box 260	[illegible]
[illegible]	Box 254	14 yrs
Donna La Fontaine		3 yrs.

REDFERN RESOURCES LTD..
205-10711 CAMBIE ST..
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED. THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residenc in Atlin, B.C.
Alfred Fehlman	Box 227	21 years
Julie Mann	Box 37	3 years
L Johnson	Box 269	14 years.
Karen Randall	Box 39	2 years
Grace Fuller	Box 96	23 years.
Shane Fuller	Box 56	21 years
Charla LaFoy	Box 261	10 years
Steve Sibeston	Box 248	16 years
Greg Horn	Box 85	2 years
Tony Buttel	Box 341	6 years.
Chris Pye	Box 396	5 YEARS
L Stevenson	Box 41	3 YRS.
Kurt Wedekind	Box 43	4½ YRS
Max Murphy	Box 351	20 yrs.
Charlo Bernier	Box 84	22.
Jean Anderson	Box 173	18 yrs.
Tracy Whitney	Box 127	22 yrs

REDFERN RESOURCES LTD..
205-10711 CAMBIE ST..
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residenc in Atlin, B.C.
Wyatt Hathway	Atlin BC	4 yrs
Peggy Erasmus	Atlin BC	10 years
Troy Smith	atlin B.C	1 year
MB Anderson	atlin B.C.	8 YEAR
Marcia Stew	Atlin BC.	7½ years
Olive Odean	Atlin BC.	5½ years
gail Hindbo	atlin Bc	12 years
Vickie DeUries	atlin B.C.	1 year
Roberta L Whelan	Atlin B.C.	16 years.
Rick A. Sundbo	Atlin B.C	4 years
Dorothy E Kindrick	Atlin BC.	10 years
William R Hoy.	Atlin B.C.	8 years
	Atlin BC.	20 Years.
Norma Smith	Atlin B.C.	20 years
Dale Anderson	Atlin BC.	24 years
D.R. Anderson	Atlin B.C.	28 years

16

1

REDFERN RESOURCES LTD..
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED. WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residency in Atlin, B.C.
Rod Cowan	Box 225	13 years
Mary Cowan	Box 225	13 years
Robert Andrew	Box 225	16 years
Ellen Smallwood	Box 225	18 years.
H. Colwell	Box 108	26 yrs
Hazel Smith	Box 114	60 years
D. Martin	Box 81	3 yrs.
Wayne Sewell.	Box 77	15 yrs.
Jeanette Hyde	Box 77	15 yrs.
Vera Kirkwood	Box 125.	32 yrs.
Irene Coleman	Box 82	58 yrs.
Tom Blackwell	Box 125	55 yrs.
[illegible]	Box 293.	10 yrs
[illegible]	Box 38.	25
Helen Kennedy	Box 11	22 yrs
Coleen Williams	Box 127	8 years.

16

8

REDFERN RESOURCES LTD.,
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residency in Atlin B.C.
Margaret Slim Baker	Box 133	18 yrs RA.
Neil H. Carles	Box 162	18 yrs
Cathie Sando	Box 36	13 yrs.
Carol Margesky.	Box 57	20 yrs.
Pat in Kennedy.	Box 107.	8 yrs.
J W Resnick	Box 8	24 yr
Marilyn Jack	Box 23	26 yrs
Ray Ward	Box 172	49
Leah Davison	Box 172	22
Ry Trudeau	Box 3	16 yrs.
Penny Carlick	Box 151	59
W. C Steeves	Box 371	10 yrs
Victoria Trudeau	Box 3	15 yrs.
Judy Whitney	Box 270	9 yrs.
Phil Whitney	Box 270	9 yrs.
Fred Jenkins	Box 92	7 yrs
Shirley McKenzie	Box 70	25 years.
Holly Metzger	Box 178	10 yrs

19

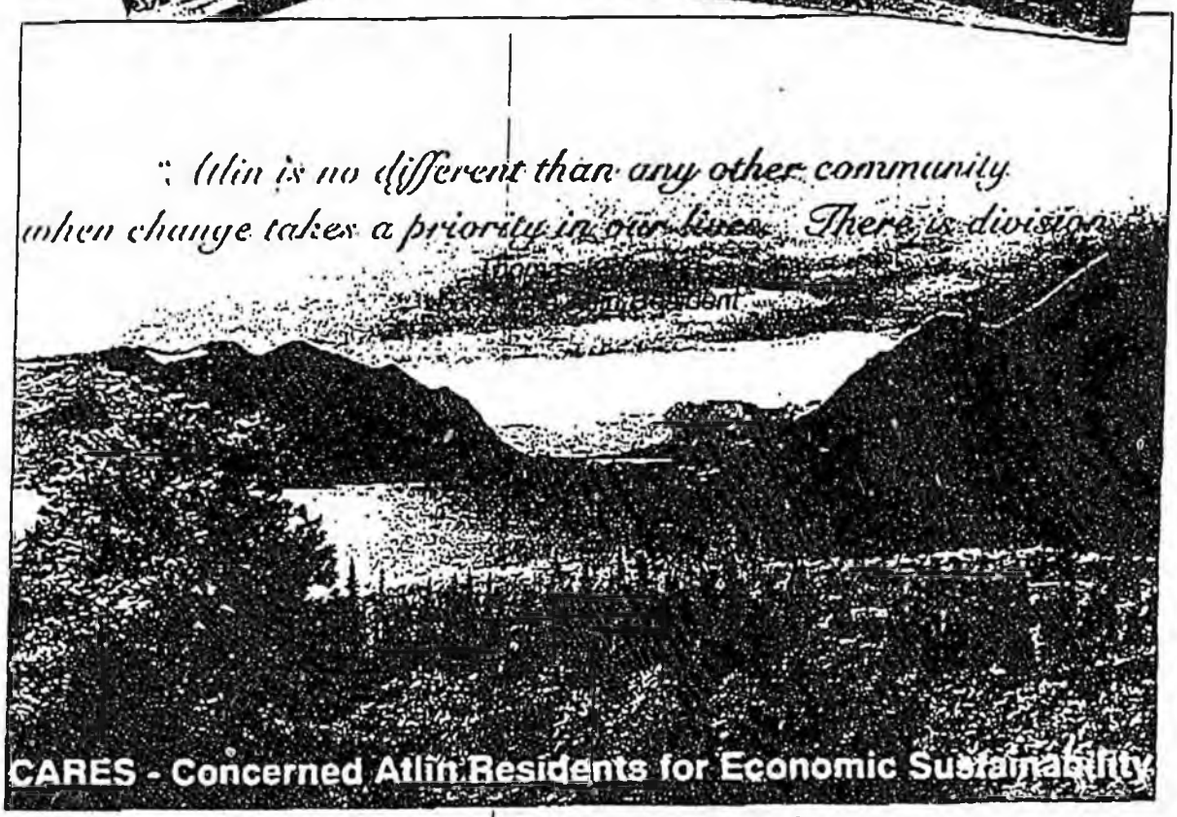
REDFERN RESOURCES LTD.,
205-10711 CAMBIE ST.,
RICHMOND, B.C.
V6X 3G5

WE THE UNDERSIGNED, WANT IT TO BE KNOWN BY ALL PARTIES INVOLVED, THAT WE ARE IN FAVOUR OF REDFERN'S PROPOSED ROAD PROJECT.

Name	Address	Length of Residency in Atlin, B.C.
LARRY Paincu	P.O. Box 126 Atlin	8 yrs
Gary McNEIL	P.O. Box 228 Atlin	7 yrs
Marilyn McNeil	P.O. Box 228 Atlin B.C.	7 yrs.
David McNeil	P.O. Box 243 Atlin B.C.	1 yr.
Tracy McNeil	Box 243 Atlin B.C.	1 yr.
Carol Goodwin	Box 72, Atlin B.C.	28 yr.
Kerrie Wess	" " "	18 "
JA Armitage	Box 40 Atlin	18 "

We Live Here...
We Care

"Atlin is no different than any other community when change takes a priority in our lives. There is division



CARES - Concerned Atlin Residents for Economic Sustainability

Booklet produced with $ donations in 1996/97 in response to ~~concert~~ un-factual productions produced by BC Wild and other environmental groups.

- To "give Atlin residents and TRTFN members who support the project a voice on the issues."

Vera Kirkwood.
Long-time Atlin Resident

Who is CARES ?

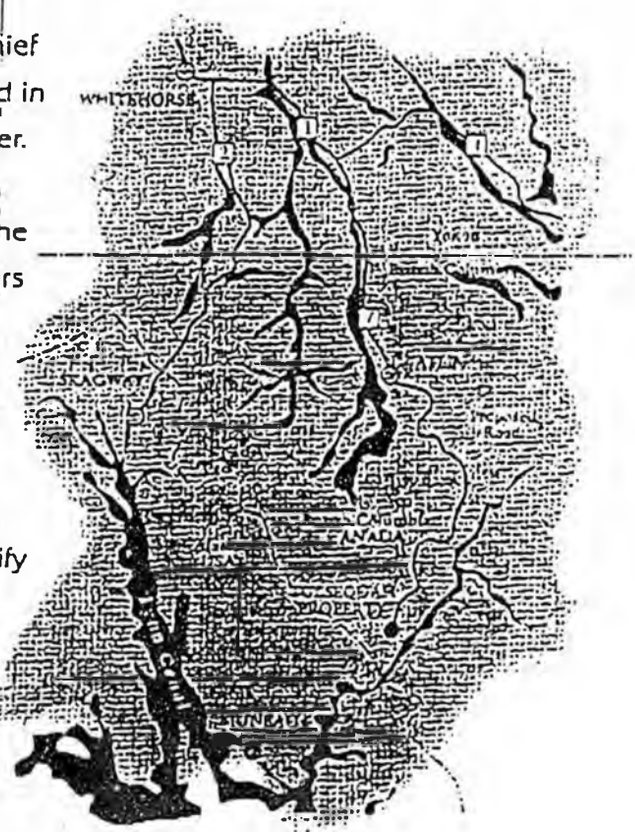
CARES is a group of local residents from the community of Atlin who have formed an association to encourage community planning and sustainable economic development. **CARES** supports Redfern Resources Ltd.'s proposal to reopen the Tulsequah Chief Mine in north western B.C.

This mine is located south of Atlin on the Tulsequah River. It was formerly operated by Cominco in the 1950's and is now 100% owned by Redfern. Redfern's proposal is currently undergoing public review through B.C.'s Environmental Assessment Process.

"We formed CARES because we believe that local concerns and opinions must be of primary importance when deciding development issues. We felt helpless because we were not being heard over the noise from the large well-financed, special interest groups from outside of our community. We also believe that a wise, informed and balanced approach is the only way of ensuring the health of our community."

CARES was formed as a means of giving Atlin residents a stronger voice in this matter. Because we are a small remote community with no municipal government, many residents were concerned that their opinions and input are over-shadowed by the predominantly outside, well-financed lobby groups who oppose this project. **CARES** members represent a broad spectrum of the Atlin community, including both First Nation and non-native members.

CARES believes that the Tulsequah Chief Mine will be constructed and operated in an environmentally responsible manner. We are committed to working with Redfern, the provincial government, the Taku River Tlingit First Nation and others in our community to ensure that any concerns are dealt with adequately. We also believe that, by participating fully in the mine development process, Atlin will enjoy substantial economic benefits that will help diversify our economy, provide us with real opportunities and contribute to the sustainable economic future of our community.



Map of Atlin and Region

A Diverse History

The Taku River watershed and the Atlin area is a region of spectacular scenery. It has been the home of the Taku River Tlingit First Nation (TRTFN) for thousands of years. The Taku River is an important salmon producing river and the area is home to grizzly, moose, mountain goats and eagles. The TRTFN continue to fish for salmon during the summer months and use the area for their traditional and cultural pursuits. Today, the TRTFN are in the process of negotiating a land claims treaty settlement with the provincial and federal governments.

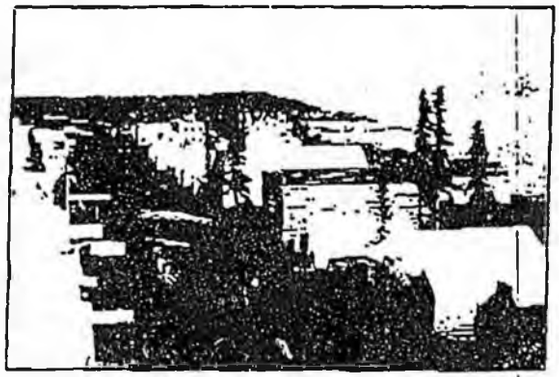
Fishing on the Taku River

While the Taku River Valley is spectacular, it is in no sense untouched. The area also supports big game outfitting, sports fishing, tourism, mineral exploration and previously, mining and logging.

On the Alaskan side of the river, there is many summer homes used by residents of Juneau, the nearest community. The Taku Lodge caters to thousands of visitors per year. The Canadian portion of the river is dotted with cabins and small permanent communities. There are numerous airstrips, many of which were built for mining exploration, that presently, allow air transportation for the commercial fishers, river rafters, big game outfitters and prospectors. During the summer months, thousands of flights by helicopter and fixed wing aircraft as well as significant boat traffic make this area a beehive of activity. It is a beautiful area with healthy populations of wildlife, but is also well used by people.

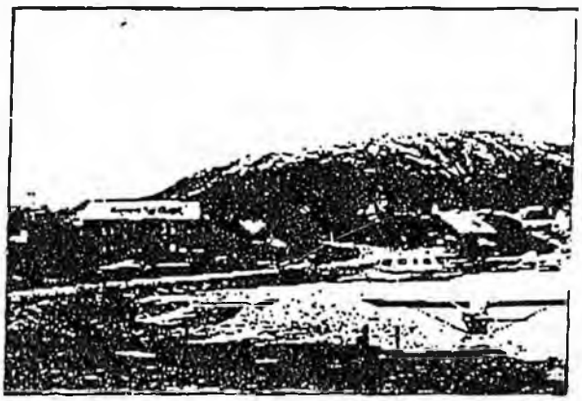
The Polaris Taku townsite was established in the 1930's to service the Polaris Taku Mine. This prosperous community of several hundred people consisted of a post office, bowling alley, doctor and many other services. The Polaris Taku is located across the Tulsequah River and downstream from the Tulsequah Chief Mine

The community of Atlin was established during the Klondike Gold Rush in 1898 when gold seekers, on their way to Dawson City, were diverted to the region after news of a strike on Pine Creek. Like Dawson, the Atlin area rapidly grew to a bustling gold rush community with a population of over 10,000 people. Population decreased over the next few decades until a road was built in 1949 linking Atlin to the Alaska Highway. Easier access for larger equipment allowed placer gold mining to continue as a viable industry. It also encouraged diversification of the economy into other sectors.



Atlin at the height of the gold rush

Today, placer gold mining continues to be of vital importance to our community. It is the largest and most significant employer in Atlin's seasonal economy. Mineral exploration is another sector which makes a substantial economic contribution to our community. Tourism is also becoming increasingly important. Stunning wilderness, clean lakes, abundant wildlife and a romantic gold mining history attract people from around the world to visit our area. Atlin also enjoys a thriving artistic community, small family-run forestry operations and an expanding service sector.

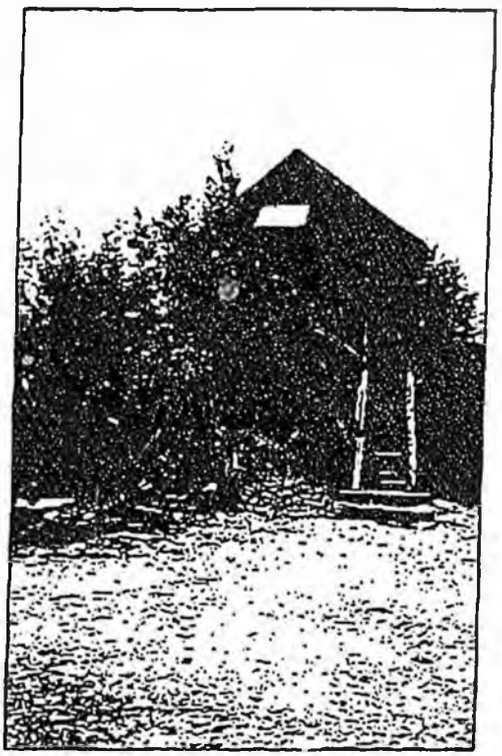


Atlin today

CARES believes that a diverse community that allows people with different interests, experiences and skills to find a place here is essential. In this way, Atlin will be prepared to deal with uncertainties experienced in all sectors of the economy from time to time. We cannot depend on any one industry, whether it be tourism or resource industries, if we are to have a sustainable future. Mining has been historically and will continue to be in the future a fundamental part of our community.

The Tulsequah Chief Mine

The Tulsequah Chief deposit contains zinc, copper, lead, gold and silver. It is located on the Tulsequah River 14 km. upstream from its confluence with the Taku River. It is an underground mine and uses much less land than an open pit mine. Mine personnel will be flown from Atlin, Whitehorse and Smithers, eliminating the need for a townsite and the consequent surface disturbance that would entail. In other words, the mine site will occupy an extremely small portion of the Taku Valley watershed and should not affect other users in the area. In fact, it will occupy only 120 hectares of the 1.5 million hectare Taku watershed or .008% of the total land area.



The Historic Tulsequah Chief Mine Site
The Tulsequah Chief Deposit was mined by Cominco in the 1950's

How long Will the Tulsequah Chief Mine Operate?

Redfern has defined a reserve of 7.9 million tonnes which will allow a 9 year mine life, at an annual rate of production of 900,000 tonnes. As Redfern has not yet found the limits to the deposit, the mine life maybe extended - perhaps significantly. Comparisons with similar deposits mined elsewhere indicate that the mine could be operating for 25 years or more. In fact, a doubling or tripling of the initial reserve and mine life is the norm in the Canadian mining experience; not the exception.

Redfern has spent over 3 years completing a very comprehensive project report. Studies undertaken include wildlife, habitat, fisheries, hydrology, water and air quality, geotechnical, socioeconomic, cultural, and many other studies too numerous to list.

CARES believes that the company has developed a sound proposal that will have minimal environmental impacts either at the site or down river. During operation, Redfern proposes to segregate all acid generating waste rock and mine tailings, mix them with cement and return them underground to backfill the mined out slopes. Cement contains limestone and will help neutralize the acidity of these deposits. On mine closure the mine will be flooded and the portal sealed off. This innovative procedure will ensure a permanent solution to acid rock drainage from the tailings. The historical mine waste rock from previous workings in the 1950's will be treated in the same fashion. The non-acid generating mine tailings will be mixed with limestone to ensure its permanent neutrality and will be stored in the tailings enclosure. At mine closure, it will be contoured, revegetated and returned to a natural state. Redfern will post a reclamation bond prior to construction to guarantee that effective reclamation of the mine-site occurs.

All used mine water will be treated in a water treatment plant to ensure that it meets stringent provincial water quality standards prior to discharge into the Tulsequah River. An independent lab conducted bio-assays in which rainbow trout and fresh water shrimp were immersed in the treated water for 96 hours. The tests had a 100% survival rate. This was without consideration for the dilution that would occur in real life. Sewage will also be fully treated before discharge. Daily monitoring & testing will occur to ensure that all standards are met.

CARES understands that the regulations that govern the mining industry today are very different from what they were many years ago. With the stringent standards that now exist, coupled with new and innovative technology, the Tulsequah Chief Mine will have only minimal environmental impacts. In fact, it will have a net benefit by cleaning up the acid rock generation from the previous mine workings and permanently encasing them underground.

The Access Road

Access Road Route & Mine Site

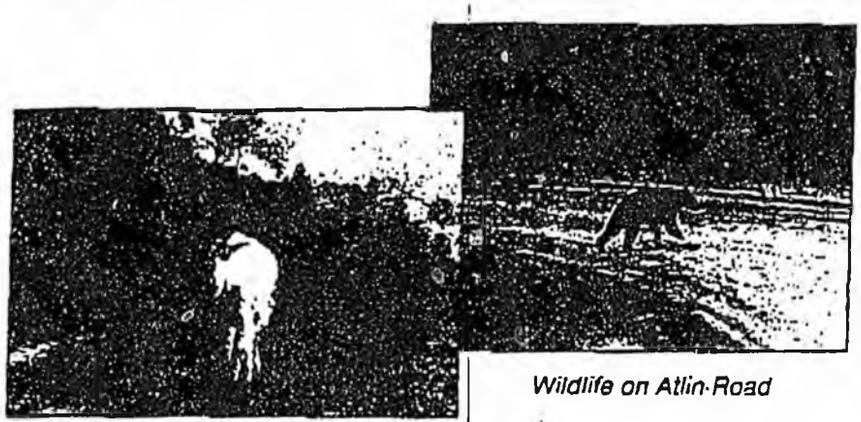
CARES supports Redfern's proposal to construct a 160 km single lane gravel road from the mine site to Atlin. This road has been engineered and will be constructed following stringent government regulations under a Special Use Permit. For example, extreme care will be taken at all stream crossings to ensure that fisheries values are not jeopardized. Route changes have been made after consultation with residents and Taku River Tlingit members. We believe that those of us who have lived in the region for a long time have a fundamental knowledge of it. We are encouraged that Redfern agrees with this.

CARES also supports the company's plan to limit non-company use of the road only to legitimate tenure holders already in the area (eg. trappers, guide outfitters, placer miners, fishers and the TRTFN). A manned gate will be located south of already roaded area. The road will be patrolled to ensure the integrity of this limited access management plan. The company's policies include a firearms ban along the road corridor to ensure that wildlife in the area is not impacted.

What will happen to Highway 7?

The Atlin to Jakes Corner road must be upgraded to accommodate mine traffic. **CARES** believes that a better road will also be of great benefit to the whole community. Previous upgrades promised by government, were cancelled due to budget cuts. The increase in government revenue from this project will more than compensate for the necessary upgrades.

The access road proposal has generated much controversy. Some argue that, once the road is constructed, people will ignore the limited access arrangements and hunt along the corridor. Others argue the government will open up this area to large logging companies for commercial harvest.



Wildlife on Atlin Road

Leading wildlife biologists agree that wildlife will adapt to resource roads provided they are not hunted.

CARES shares these concerns. **CARES** believes that with meaningful First Nation and local involvement in the access management plan we can control the road's use. The Forest Practices Code also has extensive requirements for First Nation and public consultation regarding any forestry issues. These concerns are ones of human use and can be dealt with if there is a commitment to do so. **CARES** believes that it makes no sense to oppose the mine based on fears of forestry or other land use concerns when public processes to address these concerns are already in place. We must balance all land use decisions with the need to protect wildlife and the environment and use our resources wisely.

"I have worked in road construction, hunting and mining camps including Tulsequah for about 20 years off and on. It's been my experience that wildlife are curious by nature and they will remain in the area if they are not threatened by predators. People destroy wildlife, not mines and with a no hunting ban in place, the animals will be protected."

Richard Feldman
Long-Time Atlin Resident

The Tulsequah Chief Mine and the Taku River Tlingit First Nation

CARES understands that Redfern is pursuing talks with the TRTFN concerning a potential Impacts and Benefits agreement. A comprehensive agreement with the TRTFN would benefit the whole community by ensuring that local opportunities are maximized. The TRTFN is an integral part of the Atlin community. Anything that benefits the First Nation will inevitably benefit the community as a whole. Furthermore, an extensive agreement will allow considerable TRTFN involvement in management and monitoring of the Tulsequah Chief Mine project and access road.

CARES believes that this level of local involvement will produce a better project in which we can all benefit while promoting proper resource use.
Today, First Nations participate extensively in the resource activities that take place within their traditional territory. This participation is usually embodied in an Impacts and Benefits Agreement with the proponent of the project. Fundamentally, these agreements are partnerships between the First Nation and the proponent to ensure that First Nation needs and concerns are addressed. These agreements address concerns over the proper use of resources, through First Nation participation in such things as environmental compliance committees, access management boards, joint management committees and any special arrangements deemed necessary to ensure that the land is adequately protected. First Nations are extensively involved in all aspects of the development from construction, through operations to reclamation and closure.

At the same time, these agreements include provisions for preferential hiring and contracting of First Nation members and businesses. They usually include training and scholarship arrangements as well as business development provisions to ensure that First Nations are in a position to fully take advantage of the opportunities presented by development proposals.

Impacts and Benefits agreements are advantageous to developers not only because they promote a cooperative relationship with local First Nations. but also because they allow the company to learn from those who have intimate knowledge of the land and the environment. These partnerships can result in the development of better projects in which all can benefit.

Jackie Williams
Wolf Clan Elder

I am a Wolf Clan elder. My great grandfather was the Wolf Clan Leader of the Taku River. I would like to see for the young generation to have their own businesses and jobs that Redfern's mine will provide for the First Nation of the Taku. I would like to see the First Nation have full management of the land of the Taku River and the road so it is done in the right way

Economic Opportunities

CARES believes that the reopening of the Tulsequah Chief Mine will have many positive economic impacts on our community. Redfern has committed to ensuring that the TRTFN and the local community enjoy maximum benefits through preferential hiring and contracting opportunities. At the present time, most of Atlin's economy is seasonal. Year round, high paying mine jobs, spin-off employment as well as contracting opportunities will inject much needed stability and financial resources into our economy. Residents will have the financial ability to pursue business ventures in tourism, building and mechanical trades and other industry. They may also acquire essential experience and training in the mining sector, trades and other areas that will allow them to be employed in mining and other industry in the region. Many businesses and individuals will have acquired valuable business and management experience along with a proven track record from the completion of mine contracts that will allow them to successfully bid on other contracts from the region. Furthermore, a more prosperous community may allow local businesses to expand and provide more varied goods and services at a more competitive price, thereby capturing more of the local market than they currently enjoy. The increase in goods and services available will benefit all residents.

Contracting Opportunites

(Estimated Annual Costs)

Limestone Quarry	80,000
Crew Transp. - Buses, Air Charter	300,000
Camp - Food, Laundry Maint.	1,020,000
Tulsequah - Atlin Road Maint.	1,100,000
Atlin - Jakes Corner Road Maint.	1,500,000
Mine Mobile Equip. Maint.	2,200,000
Mine Fuel Supply	8,600,000
Mine Cement Supply	2,400,000
Concentrate Trucking to Skagway	6,480,000
Concentrate Handing in Skagway	1,870,000
Concentrate Movement to Smelters	6,210,000
TOTAL ANNUAL	31,760,000

Operating Supplies Required

(Estimated Annual Costs)

Mine Supplies	9,925,000
Mill Supplies	7,045,000
Fuel / Power Supply	7,670,000
General / Admin. Supplies	1,211,000
Concentrate Movement to Smelters	6,210,000
TOTAL SUPPLIES	25,851,000

Many local spin-off jobs will be created by these contract and supply opportunities.

Employment & Contracting

Direct Employment	199
Contract Trucking Jobs	60
Supply Contracts	$25 million / year
Average Salary + Benefits	$77,000
Road Construction	$30.6 million
Capital Required	$148 million

Atlin Estimated Employment

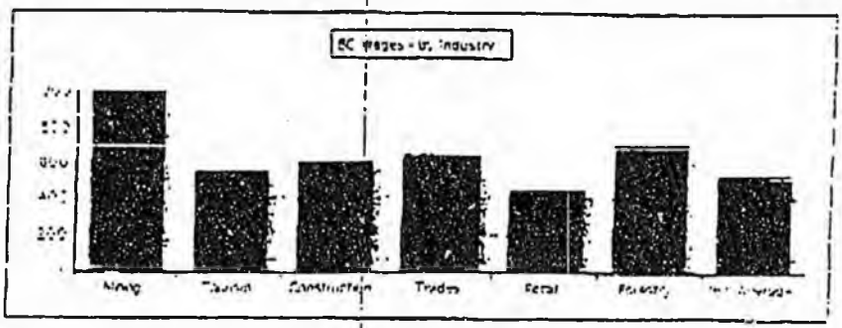
	Direct	Indirect
Construction (2 years)	80	12
Operations (9 years + ?)	51	8

Atlin Estimated Contracting

$7 million per year

Opportunities for the Region

Atlin will be the preferred community for employment and contracting. However because Atlin is a small community with few resources, Redfern anticipates that Whitehorse and Smithers will also benefit dramatically from this project. These communities will be fly in points for employees and will benefit from the many contracts associated with the Tulsequah Chief Mine.



Mining is Canada's Highest Paying Industry

CARES understands that the community must plan for mine closure. However, we have at least 9 years and potentially much longer in which to do so. With proper planning, much of the prosperity enjoyed during the mine's life can be carried beyond if we use this opportunity as a means to explore other options. This planning, on an individual business and community level, is necessary if we are to ensure a sustainable future for our community.

CARES believes that planning for the future is necessary in all areas of the economy. Many sectors, such as tourism, depend on global trends and world economic conditions for their well-being. Inevitably, downturns occur that can have devastating impacts on communities that are dependent on a single industry. Furthermore, every sector, including government and the public sector, is experiencing restructuring and downsizing. Clearly, no single industry or economic sector can guarantee the well-being of a community. What is needed is a diverse foundation in which mining, with its tremendous economic benefits, can play an important role. **CARES** is committed to ensuring that we take advantage of all opportunities that will contribute to a sustainable and healthy future for our community.

James Williams with Daughter Tara
TRTFN Members

"I support the Tulsequah Chief project because there are benefits for the community of Atlin not only for the TRT. But the whole community. Not only me as a grocery business, but all the other people that are in business - they will benefit. And if it means that I have to hire somebody, then I will be hiring somebody local. All the way around, the garage will do the same, the Inn will do the same. I imagine that anyone that's in business will make it happen. So it's not just me, the business community, it's the whole community."

Community Benefits

CARES believes that the reopening of the Tulsequah Chief mine will have many positive social and community impacts. Perhaps the most important is the opportunity for friends and family members who have had to move elsewhere for work to return home. Spouses forced to work far outside of the region for long periods in order to make a living can have a devastating impact on families and relationships. Furthermore, a more prosperous community may allow our school to offer programs up to grade 12. Having to send our youth to Whitehorse or further to continue their education is difficult for families and the community as a whole. Indeed, some families move when their child reaches grade 10 so as not to break up the family.

A more prosperous community may also be able to support better services that other communities take for granted. Services such as full service banking, more extensive health and pharmaceutical care, more varied recreational opportunities, such as a youth center, will provide for a healthier community.

Residents working year round earning a good income contribute to the economic and social health of any community. At present many people must depend on employment insurance or social assistance in order to make ends meet. Surely the ability to support oneself and ones family is a social good and should be encouraged.

Mary Cowan & Family
Long-Time Atlin Residents

"I support this project for the future of my four children I have raised here. My son, his wife and daughter, and two of my daughters have been forced to move because of no work. Our children are our future, and their future relies on jobs. Without jobs our children have no future in this community."

Benefits to the Province

Taxes and Royalties to Government - $191 million over 9 year life of mine
(not including employment income taxes)

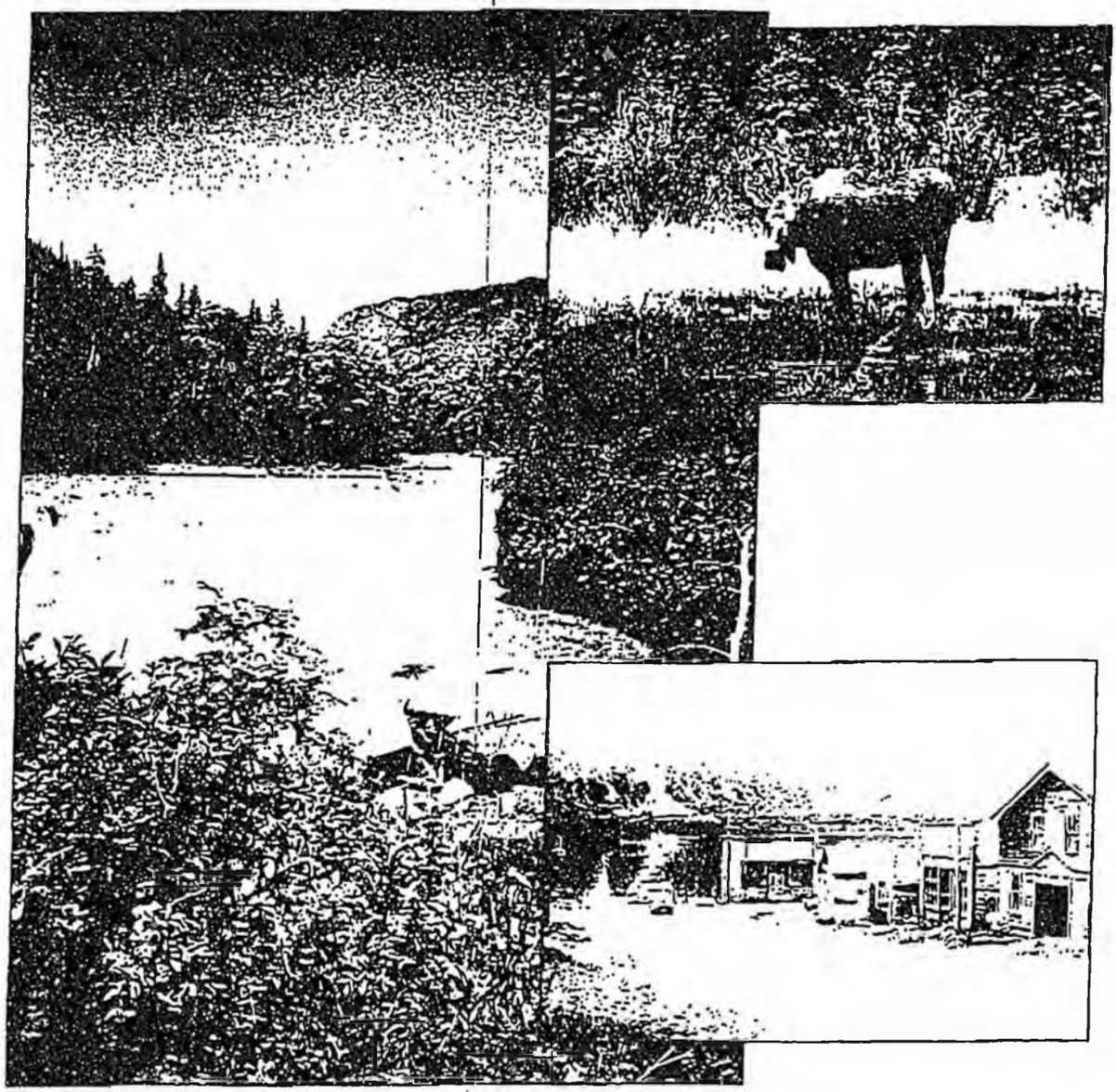
In the province of BC we enjoy a high standard of living that is envied around the world. We have sophisticated accessible health care, a comprehensive social welfare network, a first class public education system and modern infrastructure that allows us to live safely and comfortably. Our society believes these things are essential to our way of life and must be supported. Indeed, elections have been won and lost over these very issues.

At the same time, we must maintain the ability to finance these public goods through government revenue. In order to do this, we must encourage a healthy and vigorous economy through which these revenues are generated. We are fortunate that our province is richly endowed with natural resources that form the basis of our economy. Although efforts are ongoing to diversify beyond the primary industries such as mining, our natural resources will continue to be an essential part of our economy. It is unrealistic to expect that we can stop using these resources and still maintain our standard of living.

CARES members are concerned about the health of our environment. At the same time, we realize that the social and economic health of our community is also important. CARES believes that we must continually seek a balance to ensure that while the environment is protected we are still able to make a living here and provide a future for our children. We have confidence in Redfern's commitment to the community and to the sound environmental management of the Tulsequah Chief Mine.

"Most of us have lived in this community for many years. We are true environmentalists who care intimately about what happens here. We don't want to see this area destroyed. After all, it's beauty is one of the main reasons we have chosen to live in this remote corner of the province. We also care deeply about the economic and social health of our community. We want our children to inherit a healthy environment and a healthy community that can provide them with real opportunities."

Irene Coleman
Long-Time Atlin Resident



Produced by Concerned Atlin Residents for Economic Sustainability
Box 172, Atlin, B.C. V0W 1A0
Printed by Willow Printers Ltd.
CARES would like to thank all those who generously donated their time and resources to this publication.