

FLATHEAD COAL MINING



BY

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TABLE OF CONTENTS

Introduction.....	3
War-Storm Clouds	4
Get the Data	6
Washington Politics	8
The Premier’s Letter	11
The World Court.....	15
The Paris Entente	17
Canada Responds	18
Obama Intercedes.....	19

INTRODUCTION

Here is a simple story about mining, high politics, and international diplomacy. It involves the citizens of Montana versus the people of British Columbia. It roused the passions of politicians as high as Obama, and as mundane as Bill Bennett. It involved trips to Paris to negotiate away from the rabble. And it involves the British, who even at this advanced stage of history have no qualms about invading the United States and Canada for profit.

At stake are new mines for coal in the southeast corner of British Columbia. Problem is the river into which the mine effluent would flow travels south into Montana. And that pesky river passes by Glacier National Park, as beautiful a place as any.

The people of southeast British Columbia essentially live off mining, and support new mines. The people of Montana used to; but now they are wary of new mines. The rich people who live in the state are powerful, well-connected, and oppose mining.

The tale is not yet fully spun out. The outcome will change day by day as the value of the resource fluctuates, as the relative power of supporters on either side of the border waxes and wanes, and as the British flex their mining muscles here and in other remote regions of the dispossessed and barbaric.

Let us proceed to follow this story through a series of postings I made from time to time on my blog. What follows is not a coherent, sequential development. Rather it is a series of reports, thoughts, and

opinions that flesh out a very simple tale: should you mine or should you not mine when you may negatively impact another country?

WAR-STORM CLOUDS

How would you decide in a dispute (fight, war) between the United States and Canada? Now miners can express their opinion on an international struggle between the two nations over issues fundamental to the mining industry. The US State Department will take time off from Afghanistan and Iraq to address the fight between the US and Canada—or so the [news report](#) tells us.

At stake is a new coal mine in British Columbia that will send its runoff et al. down the river into Montana. This war reflects the fundamental differences between BC and Montana: The one is gung-ho for mining; the other is dead set against it. The one has weak environmental laws and review processes; the other is vicious. The one subsists on the sweat of the taxpayer; the other gets by nicely from money generally earned in other places. The one has little history of mining impact; the other owns the [Berkeley Pit](#).

The river potentially affected by the B.C. coal mine runs along the western edge of the Glacier National Park. Last time I was there, the glaciers were melting fast and are predicted to be gone sooner rather than later. It is hard to believe more coal burning will affect the life of the glaciers, regardless of the Canadian federal government's promised new clean air policy, what the next U.S. president does about global warming, or how many nuclear power plants Australia

provides. Regardless of the outcome of these pie-in-the-sky perspectives, the dispute between Montana and B.C. boils down to some fundamental issues, viz:

- Are [BC's environmental review](#) procedures equivalent to those in [Montana](#) and if not why is the lesser not brought up to [the standard of the better](#)?
- Has a sovereign nation the right to send its "[products](#)" unbidden and uninvited across an international border into an unwilling neighbor's territory?
- Should a private company that seeks to develop an industry in one country also comply with the laws of adjacent countries that stand to be affected by the company's activities?
- Is the difference in attitude to mining in Montana and in B.C. [reflective of sound fundamentals](#), or is this another clash of cultures, another clash of rich versus poor, of idealism versus reality?

I do not know the answer to these questions, although given time I would offer an opinion on each. Better that you post an opinion below and let us as a mining community discuss and settle this before we toss it to the war department, the politician, and the anti-mining blogger.

GET THE DATA

I spend time in Canada and time in the United States. All my kids and grandkids are American, and my empathies are Canadian. So I am berated both sides of the border. In Canada, I am regarded as an ugly American, although my accent is bastard South African. I am told at Vancouver dinner parties that Canada's regard for the environment is much greater than that of the United States, which I am told is dominated by Republican businesses. Conversely when in the United States, some of my friends, who actually know enough to know that there is a country called Canada to the north, joke about the Canadian inbred self interest and predilection for supporting ugly mining companies that rape the landscape for whatever they want. I must confess that most of these friends lost money in the Bre-X affair and have no love for Canadian mining companies.

Thus I will follow the outcome of this story with great interest:

A U.S. Senate panel Tuesday approved nearly US\$1.3 million for collection of environmental data in the area where a Canadian company wants to develop a coal mine, just north of Glacier National Park. Opponents of the mine want the environmental information for a baseline against which to gauge how the Cline Mining Corp. project may affect natural resources in the Flathead River region, which spans the Montana-British Columbia border. Sen. Max Baucus, D-Mont., announced the allocation by a subcommittee working on appropriations for the Interior Department. Full committee action is likely Thursday, his staff said. Baucus said data would be gathered by

the University of Montana's Flathead Lake Biological Station; the UM forestry school; the Flathead Basin Commission; and the Montana Department of Fish, Wildlife and Parks. "We need this baseline data to continue to make the case that mining and other activity in (British Columbia) would have devastating consequences downstream in Montana," Baucus said. Cline maintains the mine could be developed in a manner sensitive to the environment. British Columbia officials have said the project would have to comply with strict standards imposed by the province. Cline has proposed mining millions of tons of coal, during a 20-year span, from deposits under Foisey Creek. It flows into the North Fork of the Flathead River, which flows across the international boundary. Baucus said the baseline environmental information also could be used against British Petroleum's proposed coal-bed methane work in the Foisey Creek area.

Keep in mind that Montana is the United State's national park for rich Hollywood stars and has long turned its back on its mining roots. Not that you can blame them considering the Berkley Pit. So there must have been some rich pressure on the Democrat to come up with \$1.3 million to do the proposed studies. Obviously the influential and powerful are gathering to oppose the Canadian mine.

Regardless of who is behind the mine and its promises not to pollute, behind Montana's environmental studies, and the granting of permits in [Victoria](#), this case is sure to focus and highlight the differences (if there are any) in the environmental methods, approaches, philosophies, and conclusions of BC versus Montana, if not necessarily

Canada versus the United States. We will watch with great interest and then earn another bottle of wine provoking controversy at dinners in Canada and the United States. A lot easier on the brain than differences in national approaches to Wal-Mart, Afghanistan, Iraq, the free use of pot, national health, and freedom of the radio to play what listeners want to hear as opposed to what the government dictates, gun control or lack thereof, and labor unions and strikes at mines and everywhere else.

Meanwhile, the web is awash in sites supporting and opposing the project. Here is one at [this link](#). And another, particularly Montanan view, at [this link](#). And the most informative and links-rich at [this site](#). And finally the [one with the](#) most pungent anti-Canadian comments. Interesting to look backwards in a mirror.

WASHINGTON POLITICS

Is “mining” coalbed methane, actually mining? Or is it natural gas extraction? Regardless of the correct classification of this activity, Senator Baucus, a Democrat from Montana, lumps it in with mining. In particular, with proposed mining in British Columbia that could conceivably have an impact on Montana.

I would love to have been present at this meeting on the topic which is [described](#) in these words by the press:

In a Washington D.C. meeting with executives for British Petroleum, U.S. Sen. Max Baucus, D-Mont., issued his harshest rebukes yet for BP’s coalbed methane exploration proposal in the

Canadian Flathead. BP can expect “a knock-down, drag-out fight” and “a massive and unpleasant fight from Montana that will end badly” Baucus told BP America Chairman and President Bob Malone and BP Canada chief Randy McLeod. Baucus’s threats refer specifically to BP’s intent to file an exploratory permit for what it calls its “Mist Mountain” coalbed methane (CBM) extraction project in southeastern British Columbia. Baucus is also working to top a separate coal mining project proposed by the Cline Mining Company in the same area and is working with U.S. Senator Jon Tester, D-Mont. to shepherd \$1.25 million through Congress to collect baseline environmental data in the area.

The good Senators are in their turn being [watched](#) by their constituents:

One group from the Kalispell area, the North Fork Preservation Association, is watchdogging the activities of Cline Mining and BP, as well as what Senators Baucus and Tester are doing on the issue. They post links to various newspaper articles around the region that report on the active and proposed mining just a few miles north of our border with Canada.

I have always been told that Canadians are nicer, more tolerant people than Americans. This case may highlight the truth. Certainly in this case they seem to be more tolerant than Americans. Consider:

Currently, Cline Mining Corp. wants to remove a mountaintop at the headwaters of the Canadian Flathead, digging some 40 million tons of

coal over the next 20 years. And BP Canada Energy Co. has proposed a \$100 million coalbed methane exploration project in that same river drainage.

Now the whole of America is up in discussion (if not yet arms) about mountain top mining in the south, and Montana is up in belligerent words about BP and mountain top mining in BC. Yet nary a word is heard in Canada about any of this. If this because Canadians are inherently more peaceful than Americans, is it because there are simply fewer of them to go around, or is it because they support their politicians with a fervor that is alien to Americans. I quote:

Opponents have requested an exhaustive baseline environmental study be completed before development begins, so any future problems can be measured against natural conditions. Provincial leaders in British Columbia have balked at such lengthy analysis, and recently said they will allow BP to begin drilling even as baseline data is collected. Scientists and political leaders in both Canada and Montana have warned that approach will taint results, and have requested at least three years of data collection before the companies break ground.

The question of how to go about opening new mines and gas extraction operations clearly is something that is approached in different ways by different communities and countries. Conflicts of approach highlight the inherent strengths and weaknesses of different systems. Here we have a conflict of approach between neighbors who share similar ideals and heritage; it will be fascinating to see how they

ultimately differ on environmental protection and the rights of the community.

THE PREMIER'S LETTER

Biking around Vancouver yesterday, we dropped into a coffee shop on Granville Island. The coffee was advertised as *Organic and Fair Trade*. I noticed that four of their major offerings were from Cuba. Baffled by the concept of anything fair trade from Cuba, I asked the young lady behind the counter how coffee from Cuba could possibly be fair trade. With a wave of her hand she replied "I dunno. That's what they tell me to tell the customer. It keeps them quiet." Which proves, I suppose, that truth is too precious to be wasted on the public. As long as you say it in elegant tones, most people will believe it. Certainly my companion bought \$15 of Cuban coffee, which I refuse on principle to drink. It's too much like benefiting from slave labor.

We stopped for a second cup of coffee in another shop. Lying on a dirty table was a copy of the Globe and Mail, that rather pompous Canadian national newspaper. The [headline](#) concerned a story I have [previously written about](#) on this blog; The scrap between Montana and British Columbia over mountaintop coal mining and gas extraction in BC that may send contaminants down the river to Montana.

The news report told of the Premier of British Columbia, Gordon Campbell, sending a letter to the Governor of Montana, Brian Schweitzer in support of BC mining. On reading the newspaper article, my first thought was that it is heartening to hear that the political

leader of a major jurisdiction is going on record as a public supporter of mining. The Campbell letter unequivocally supports mining in BC

I do not have a copy of the letter. In fact the Globe and Mail report says that the Governor of Montana does not yet have the letter. Here is what the Globe and Mail says is in the letter.

Stung by a letter from Mr. Schweitzer three weeks ago that takes B.C.'s performance to task, Mr. Campbell took his own gloves off and offered up a detailed defense of the province's environmental assessment program while casting aspersions, in diplomatic language, on the Montana record: "I'm surprised and disappointed that you are rejecting the draft action plan developed by our officials over the last 18 months, I find it difficult to understand that you would reject a plan for our two governments to work together through the Action Plan."

The Premier suggests that the main reason Mr. Schweitzer wants to preserve the Flathead is because the rest of Montana has been turned over to industrial use: "We recognize in particular that Montana's land-use and resource-development decisions elsewhere in the state mean the Flathead Basin is the only remaining major protected area in Montana," Mr. Campbell says.

He argues that the Flathead, and adjacent Glacier National Park, face far more serious threats than future energy developments in B.C.: "I understand scientists, including Montana scientists, predict there may be no glaciers in Montana's Glacier National Park by 2030 or sooner due to global warming."

The Premier then tells Mr. Schweitzer it is “inappropriate and unjustified to single out mining of fossil fuels” in Canada as the only threat to the Flathead ecosystem: “Other human development activities in the region represent clear, and perhaps more immediate threats to water quality and wildlife in the area,” the Premier says. “Urbanization and residential development, other industrial activity, recreational activity, unregulated and unplanned development on private land are among them.”

Mr. Campbell then takes Mr. Schweitzer to task for negative comments about potential coal-bed methane development, pointing out that while B.C. will not allow energy companies to discharge wastewater from coal-bed methane wells on the surface, Montana does. “I understand Montana has 807 producing coal-bed gas wells,” the letter states.

Now this letter sounds to me like a defense of fair trade coffee from Cuba. At least it is convoluted enough to join the gallery of silly defenses of wrong-headed causes. How can a leader of a major jurisdiction try to defend his county’s actions by attacking another country’s past sins. OK, I know this is done in third world places, but the sight of two so-called civilized places stooping to such silly invective is embarrassing.

If you deconstruct Campbell’s reasoning, he is saying the Montana has already messed up its environment so bad with mining and industry, that BC could do no worse to BC nor Montana. Campbell is saying that global warming is going to mess up Glacier so bad, that it is irrelevant how much mess BC makes.

Now both of these propositions may be entirely true. But that does not, in my opinion, constitute a polite basis for international diplomacy, or a justification for further environmental despoliation.

Surely the only basis for going ahead with the new mines in BC is that proper procedure has been followed in all jurisdictions potentially affected by the development. If the mines are not going to negatively impact the environment, and we all know that it is possible to mine and achieve these objectives, then let us prove this up front by following the rule of law and due process. I cannot see how trading school-boy insults between Premiers and Governors is going to prove anything, net alone advance the cause of scientific and objective enquiry.

Naturally politics is involved. The people who now own Montana are politicking their politicians. The rich and famous who now own the ranches, valleys, and hills of Montana, do not need mining to pay for their jets and jewels. They have come to the state for its pristine beauty, and as I know from many a trip through the state there is a lot of it, in spite of Campbell's assertion of wide-spread mining and industrial devastation. The people of Montana do not want mining, they want granola nature.

I cannot get my head around the political science implications of this story: normally the rich and well-connected come wanting to mine and they are opposed by the local poor, who do not understand the advantages that await them when the mine opens. In this case, we have the poor of BC wanting the mine for income and taxes. How else

to pay for the drug injection sites and detox units springing up around Vancouver. And the rich and famous of Montana oppose the mining. It is all topsy turvey. It is made worse by scrapping politicians, and the dollars screaming to parity turn economic conclusions upside- down.

Thus my recommendation. Stop advertising fair trade coffee from Cuba, stop arguing that mountaintop mining is the answer to global warming, stop justifying future pollution by reference to past pollution, and stop sending letters. Rather set in motion the tried and trusted process of law that characterizes both jurisdictions. Stop acting like third world dictators, Castro included, and start acting like responsible democratic leaders.

THE WORLD COURT

It is the smartest political move of the week. You may not like it; but you have to admit it smacks of vicious genius. I refer to the [story](#) that Montana's two senators have petitioned the United Nations to add Waterton Glacier International Peace Park to the List of World Heritage In Danger Sites.

Its mining implications are profound. Consider: Waterton is the Canadian extension of Montana's Glacier National Park—but for the border, it is the same. Here is why the senators say the Canadian part should be considered endangered:

The listing is deserved because B.C. coal mining and methane-gas projects "will contaminate one of the park's most pristine rivers, destroy the habitat of endangered species, and compromise the

natural character that makes the Peace Park a world treasure," the senators state in their letter.

"Given these threats, we must ask you to assist us in petitioning the World Heritage Committee to add Waterton Glacier International Peace Park to the List of World Heritage in Danger so that we can bring international pressure to bear and stop the mining and drilling proposals in their tracks."

"Coal mining and coal-bed methane extraction pose multiple and immediate threats," the senators state in their letter. "Coal mining and coal-bed methane extraction near the border of the park will not only be degrading downstream habitat in the park, but will also be contributing to the rapid deterioration of one of this World Heritage site's most unique natural resources."

I have driven most every road in both parks. My old-age ambition is to ride my bike around both parks. They are indeed both beautiful beyond description. But the Canadian part is going to have a tough time living up to the Peace Park part of its name. Sounds like it will become the center of a vicious international mining battle. Custer stand down.

Personally I do not know how I would advise BC politicians or miners to proceed on this one. The battle makes for strange bedfellows. I have already been beguiled at dinner by BC environmentalists who have a new-found respect for BC politicians, a surge of patriotism, a flush of anti-Americanism, and sudden emotions of support of Canadian mining interests.

All this would be funny and entertaining, if it were not so serious. The implications of this debate are profound. The fight will strip bare emotions, politics, corporate philosophies, social aims, and the rights and needs of miners. This scrap between two “sovereign nations” will force us all to redefine what it means to be patriotic, professional, practical, and to support or oppose mining.

Maybe we should bring the soldiers home from Afghanistan and Iraq and station them along the Montana versus BC border. Each soldier equipped with a small bottle to take water quality samples and tanks ready to rush them to the local lab. I volunteer as an embedded journalist.

THE PARIS ENTENTE

An update on the scrap between Montana and British Columbia over Waterton and coal mining. The Canadian Press [reports:](#)

U.S. and Canadian officials plan to meet this month [October 2007] in Paris to discuss how an international park on their border could be protected from a proposed coal mine nearby, a U.S. congressman said Tuesday. The Waterton-Glacier International Peace Park was designated by the United Nations as a World Heritage site in 1995. The mine would be north of Montana’s Glacier National Park, which abuts Waterton Lakes National Park in Alberta, where the province meets British Columbia. The two parks make up the international park. Proposed energy development north of Glacier has the potential to be a big problem,” said U.S. Representative Denny Rehberg, who said the U.S. Interior Department told him arrangements will be worked out this week for the meeting during the World Heritage Convention on Oct. 24-25.

The Missoulia.com provides many more details. Here is the bit I enjoyed; it is a series of quotes from Todd Willens, Deputy Assistant Secretary of Fish, Wildlife, and Parks at the U.S. Interior Department.

Willens agreed the Paris meeting could foster continued dialogue, adding that his goal during the conference will be simply to “sit down and talk about the substance” of the controversy. Concrete solutions, however, will require “further political discussions,” Willens said, and are not expected in the short term. Likewise, he said, any endangered listing - as proposed by Tester and Baucus - “will not be a quick decision. We’d have to have both countries on board before any such listing could be made.” Still, Willens said, the Paris conference provides a suitable platform from which to begin high-level talks on the future of Canada’s Flathead. “We think it can be very productive,” he said. “We want to begin the discussion now, so we can make sure no actions take place that might endanger the parks. I think Paris can be a beginning for continued talks.”

You have to admire the diplomatic language this is all couched in. But on reflection, if I were sent to Paris to talk about conditions in southeastern BC, I would also control my language very carefully. I mean why go to [Helena](#), Montana or [Fernie](#), B.C. when you can go to [Paris](#)? I suppose because it is neutral territory.

CANADA RESPONDS

There was a long period of no news and [then suddenly this](#):

Montana Governor Brian Schweitzer along with Senators Max Baucus and Jon Tester announced in February [2008] that BP America would not develop coal-bed methane mining in the Flathead River Basin in British Columbia.

OBAMA INTERCEDES

I loved [this report](#) from 20 July 2008---I quote it all for it captures the story and the personalities so perfectly:

Barack Obama is not even elected president yet, and he's already picking on B.C. It didn't get much attention, but Obama served notice that if he's elected, he'll lend his support to ban mining in the Flathead Valley in southeastern B.C. The dispute has been bouncing in and out of the headlines since 2003, especially in Montana.

It has already proved awkward for the provincial government. In mid-2004, Energy Minister Richard Neufeld cancelled Cline Mining's permit for a planned open pit coal mine in the Flathead, citing environmental concerns and pressure from Montana. The company's share price fell 50 per cent. And earlier this year, BP America cancelled plans for coalbed methane development in the Flathead after taking heat from Montana interests, including powerful U.S. Senator Max Baucus.

But the battle isn't over, and Obama has signed on to the other side. Cline has another property in the Flathead Valley, farther from the border. Montana environmentalists - and most of the main politicians - are opposed to a coal mine proposed for that site as well. And, to add a complication to the mix, BP America still hopes to develop coalbed methane in the Elk Valley, not far from the Flathead. The series of disputes is putting the government in a bad spot. The pressure from Montana - on the province and the companies - is significant. And a lot of people in the Kootenays support protection of the Flathead.

But on the other side, other residents aren't opposed to more mining, which provides excellent jobs. The province wants the investment and future royalties from coalbed methane. BP said that if it had developed both the Flathead and Elk Valley properties, the investment would have been about \$3 billion. The government would get \$2 billion in royalties and \$2 billion in

corporate taxes over the life of the project, the company said. And at some point, the B.C. government is going to have to decide how much say it will give U.S. interests on land-use decisions within the province.

The Montana crew has a legitimate interest in the future of the Flathead Valley on our side of the border (as B.C. took a legitimate interest in the air quality impact of a proposed power plant just across the border from Sumas). The Flathead River is a prized asset in Montana. It forms the border of the U.S. Glacier National Park and offers fishing and recreational opportunities. It's that rare thing - an accessible wild river.

The case for being concerned about development in its headwaters is pretty strong. But how far should that interest go? By taking aim at BP's coalbed plans for the Elk Valley, Baucus and the other U.S. interests are claiming influence on an area 60 kms or more from the border. And the Elk River flows into the Kootenay. It flows into Montana, where it is dammed to create a lake - hardly a wild river.

Bill Bennett is the Liberal MLA from the region and was mines minister until he resigned after a nasty e-mail exchange with a constituent. He offered a good analysis of where B.C. should draw the line during the just-ended legislative session. Bennett drew a clear line between the Elk and Flathead Valleys. The Elk has been home to mining and logging for more than a century, he noted. It's not some pristine wilderness. The Flathead, while there has been logging and recreational use, hasn't been developed in the same way. Bennett suggested that, at least for now, the status quo should prevail in the Flathead. His constituents don't want to see coal mining in the valley.

But he'd allow more mining and coalbed methane development in the Elk Valley, giving BP a chance to show how clean its operations can be. It seems a reasonable compromise.