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ENERGY & MINERALS DIVISION
ASSISTANT DEPUTY MINISTER'S OFFICE



INTERGOVERNMENTAL RELATIONS SECRETARIAT
PROVINCE OF BRITISH COLUMBIA

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MEMORANDUM

cc: Suzanne Christens

TO: Doug McArthur
Deputy Minister

Date: April 24, 1997

FROM: Robin Ciceri

cc: GSB / MRL / return
to ADM Tulsequah
File.

Re: Taku River: Tulsequah Chief Mine Proposal

On April 24, 1997, we chaired an interministerial meeting to discuss the preparation of material to respond to concerns raised by U.S. and Canadian environmental non-governmental organizations (ENGOS) concerning the possible environmental impact of the Tulsequah Chief mine proposal on the Taku River and its tributaries. This meeting was prompted by the attached reports from the Canadian Embassy in Washington, D.C. On April 16, the American Rivers organization named the Taku "one of the nation's most threatened rivers".

The inter-ministerial meeting focussed on the Embassy's request for explanatory material related to the Tulsequah Chief proposal. It was agreed that an integrated briefing package would be prepared which would include --

- a description of the B.C. regulatory process governing this proposal;
- an outline of the proposal itself;
- an account of the B.C. land use planning process as it relates to the project;
- a response to the various issues raised by the ENGOS (e.g. issues related to due process, transparency, acid rock drainage);
- comments on First Nations-related aspects;
- a description of the involvement of Canadian federal agencies and of the ways in which transboundary considerations are being taken into account (i.e. views from Alaska).

Generally, the material provided to the Embassy (and to federal Departments in Ottawa and other Canadian posts in the U.S.) will focus on the openness, transparency and credibility of the B.C. regulatory process. This will not necessarily change the minds of U.S. ENGOS, but should be useful information for key audiences in the U.S. government and media.

Finally, it should be noted that this issue is only one of several recent developments (e.g. the ENGO campaign against logging the mid-Coast, the Sierra Legal Defense NACEC case related to B.C. Hydro's operations, reaction to a possible Jobs and Timber accord, reaction to B.C.'s recent mining initiatives, reaction to an enhanced B.C. role in fisheries management) which suggest that in the months to come, the Government will be called upon to explain and justify to international audiences its approach to sustainable economic development. In the weeks ahead, we will work with other Ministries to ensure that the rationale for B.C.'s policies and programs is communicated consistently and effectively in the international arena.

Robin Ciceri

Robin Ciceri
Assistant Deputy Minister
Intergovernmental Relations Secretariat

Attachments

FILE COPY

12880-20/06/ALAS

Canadian Embassy
501 Pennsylvania Ave., N.W.
Washington, D.C. 20001
EXT 1607 (12/93)

Date: April 15, 1997

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City/Ville:	see above		<i>[Signature]</i>
Fax No./ No de télécopie:	see above	Fax No./ No de télécopie:	202-682-7792

Number of pages including this page/Nombre de pages avec cette feuille: 4

TAKU RIVER: TULSEQUAH CHIEF MINE PROPOSAL

Some time ago we met with conservation community representatives, at their request, and learned of their concerns regarding the proposed re-opening and expansion of the Tulsequah Chief mine on the Taku River in northern British Columbia, a boundary river which rises in northern B.C. and reaches the ocean through the Alaska Panhandle. Our interlocutors informed us that there would likely be additional concerns, expressed by the State Department, and that there was further information forthcoming. We therefore prepared a note to file (see attached) until a more substantive message could be prepared.

2. We have not, as yet, received a call from the State Department, or any further information on conservation community concerns. However, as American Rivers traditionally releases its endangered and threatened rivers list around this time of year, usually, attracting a fair amount of media attention, please consider the attached as advance notice that the Taku River will possibly be included.

3. FOR BC/Botje: Please provide by fax some clarification of the mine proposal, the process underway in B.C., and any background information, media lines, etc. that you may have available. Also grateful for contact names and numbers we might pass on in the event there is some interest here.

Report on Meeting with river conservation organizations re: The Tulsequah Chief Mine Project

Summary

On January 9, Sheila Tooze, Environmental Affairs Officer, and Lalitha Colaco, Environment and Fisheries Intern met with Tom Cassidy, American Rivers and Ian Kean, Rivers Canada and owner of The River League (B.C.), at the request of the conservation organizations, regarding their concerns about a proposal to re-open the Tulsequah Chief Mine in B.C. They believe that if this underground copper mine is allowed to re-open there will be severe environmental impacts, not only in British Columbia, but also in Alaska. In particular, they are concerned about water quality issues under the 1909 Boundary Waters Treaty and potential serious damage to the Taku River's important salmon stocks. In their view, the proposed Tulsequah Chief mining project has the potential to become a serious transboundary issue, and that B.C.'s fast-track legislative process will not adequately address transboundary issues or environmental concerns.

Background

The Tulsequah River, a major tributary to the Taku River, flows into the Taku about 8 km above the international border between B.C. and Alaska. The Taku flows from Canada through the Alaskan Panhandle to the Pacific Ocean and is a transboundary river.

According to our "Rivers" interlocutors, in the 1950's the Tulsequah Chief Mine was operated by Cominco Ltd. Travel to and from the mine was by way of barge through the lower part of the Taku. The mine was abandoned by Cominco by the 1960's. At present, this abandoned mine is leaching acid mine drainage into the Taku Watershed. Not only is this having a negative impact on wildlife in the area, but section 36.3 of the B.C. Fisheries Act is being contravened.

Apparently, the mine was recently acquired by Redfern Resources Ltd. Redfern has promised to clean up the acid mine drainage problem upon reactivating the mine. However, both American and Canadian river conservation organizations are sceptical as to Redfern's ability to prevent the mine from continuing to leach acid mine drainage into the Taku River. It is their contention that Redfern's proposed clean up method for the acid mine drainage problem has not proven effective in the past, especially as a long-term solution. They also contend that Redfern's proposal to expand the mine, which would make it the biggest project in the area, would open up the area to increased development, with the potential for further, serious environmental impacts.

They informed us that on November 27, 1996, Redfern filed a project report with the B.C.

government in support of its application for a Project Approval Certificate. One of the key issues that Redfern will have addressed is access to the mine. There are a number of possible routes: either Redfern could continue access solely by barge as did its predecessor, Cominco; or it could build a road. Possible routes for the road run from the mine to either Swede Point, Alaska, or to Atlin, B.C. Redfern would prefer the Swede Point road. Both methods of access raise considerable environmental issues, according to our visitors. Road building would have a significant environmental impact and would open up this area of untouched wilderness - considered to be the last significant unroaded Pacific watershed in the province - to exploitation, and especially to logging interests. However, if the barging option is chosen, the shallowness of the Taku River would require that portions of the shipping channel be dredged on a regular basis. Environment Canada and the Alaskan government have expressed concerns that a barge operation and regular dredging of the river could lead to three environmental problems. First, barge operations may result in increased bank erosion due to wave action which would have a marked effect on the fish and wildlife habitat. Second, dredging would decrease the amount of wet area at certain tides which would reduce the overall productivity of the area. Finally, there are also concerns that using the river for barging would require the removal of snag, root wad, and other large woody debris which would also reduce the amount and quality of the fish habitat and contribute to channel instability.

Process

As stated above, we were informed that Redfern filed its "Tulsequah Chief Project report" with provincial and federal government agencies in support of its application for a "Project Approval Certificate" on November 27. The filing marks the beginning of the final stages in the approval process which is governed by the B.C. Environmental Assessment Act. Under the Act, the project report has to proceed through a 25 day screening process to verify that all specifications have been met. Next, the report has to undergo a 60 day public consultation period and then a 115 day government review process. Redfern's project report is at the 25 day screening stage and it is expected that the B.C. Environmental Assessment Team will decide shortly whether all the environmental specifications have been met. The Canadian and American river conservation organizations contend that at this stage, the B.C. government will likely ask Redfern to provide additional information regarding the environmental impact of both transportation options. They note that Redfern has taken advantage of British Columbia's fast track approval process. However, they feel that Redfern has not submitted sufficient information about the project even to satisfy the requirements of the fast track process, and that they expect that project approval will be delayed until the required additional information is supplied.

Concerns over the Project

Because of the transboundary nature of the Taku, the conservationists are concerned about transboundary water quality issues and fish and game conservation. Also, because transboundary concerns are at issue, they believe that major federal interests are at stake, and that such issues can not be left solely to the B.C. government to decide. In particular,

they argue that the Tulsequah Chief Mine project should be reviewed in light of the 1909 Boundary Waters Treaty, and the U.S./Canada Pacific Salmon Treaty. Additionally, they express concern that there are no long term plans for the land use and conservation of the area. Frequent mention was made to the Tatsheshini issue, in which Vice President Gore took a personal interest, as an example of how a similar transboundary issue was resolved in the past.

We were also informed that there are considerable First Nations issues involved, and that the Taku River Tlingit First Nation will raise their concerns at the appropriate time in the British Columbia review process. As the Taku River Tlingit have already initiated their own strategic plan for the Taku Watershed and have entered into treaty talks with the B.C. government, it is almost certain that the Taku River Tlingit will strongly oppose any proposals to build a road until these negotiations have been completed.

The State of Alaska has also raised concerns regarding the Tulsequah Chief Mine project. Fisheries concerns are of particular interest. In addition, the state is concerned with the issue of mine access. If the Alaska road option is pursued, a bilateral agreement would be required. If the barging option is pursued, not only would possible landing sites in Alaska have to be assessed, but also parts of the Taku River that flow through Alaska would have to be dredged, requiring environmental assessments and permits from the B.C., Alaska and U.S. federal governments

Finally, Kean and Cassidy mentioned that they would be meeting with senior officials at the State Department and the President's Council on Environmental Quality to discuss the Tulsequah Chief Mining project and related transboundary issues. They expected that these departments will shortly be in correspondence with the Canadian Embassy in Washington regarding this matter.



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4/16/97
3:10 ml.

Canadian Embassy
501 Pennsylvania Ave., N.W.
Washington, D.C. 20001
EXT 1507 (12/93)

Date: April 16, 1997

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From/De: S. Tooze
[Handwritten signature]

City/Ville: see above *arr. 16/97*

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TAKU RIVER: AMERICAN RIVERS PRESS CONFERENCE

Further to our background fax, attached please find a press release issued today by American Rivers, one of the leading U.S. conservation organizations, which designates the Taku River as "threatened". The press release cites the proposed reopening of the Tulsequah Chief mine upstream in northern British Columbia as the reason for concern. 2. As noted in our earlier fax, the Taku runs through the Alaska Panhandle from B.C. Grateful for any background and proposal status information ASAP.

Embargoed until 9:30 a.m. (EDT)

April 16, 1997

Contact: Tom Cassidy

Carrie Collins (202) 547-6900

For Complete Report: www.amrivers.org/amrivers/



American Rivers

TAKU RIVER NAMED ONE OF NATION'S MOST THREATENED RIVERS

American Rivers Releases Annual Report on Most Endangered and Threatened Rivers

(Washington, D.C.) — The Taku River was named today one of the twenty most threatened rivers in the country by American Rivers, the nation's leading river conservation group.

The proposed reopening of a 40-year old copper/gold mine could destroy one of the last intact and undisturbed watersheds in North America.

"The Taku River has outstanding natural values, the likes of which we rarely see anymore," said Tom Cassidy, General Counsel for American Rivers. "The Taku is a vitally significant transboundary resource, important to both Canadians and Americans. It is the largest unprotected wilderness river system on the western shore of North America. And it is one of the largest salmon producing streams in southeast Alaska, supporting all five species of Pacific salmon and steelhead. Its salmon fishery is worth millions of dollars. It would be nothing short of a crime to permit this mine to go forward without iron clad environmental protections of internationally protected resources in place."

The Tulsequah Chief Mine was first operated by Cominco, Ltd. in the 1950's, but closed after only six years of operation due to depressed copper prices. The properties have subsequently been acquired by Redfern Resources Ltd., which wants to reopen the mine.

Acid mine pollution from the abandoned mine continues to leach toxic sulfuric acid into salmon bearing streams. Draft reviews of Redfern's proposal by the British Columbia government state that "reactivation of the [mine] could result in chronic discharge of effluent contaminated with acids, heavy metals, petroleum products, and/or toxic reagents."

The threat to the Taku River system is compounded by Redfern's proposal to build a 160-kilometer road with 69 stream crossings from Atlin, British Columbia, to the mine site. This road would open up the as yet undisturbed wilderness to increased development, including timber harvest and additional operations:

-more-

The announcement on the Taku River came as part of the release of American Rivers' twelfth annual report, "Most Endangered and Threatened Rivers of North America." The report examines rivers that are facing the most serious and immediate environmental abuse and provides an overview of the state of rivers today.

The rivers selected for the list are representative of the environmental problems placing rivers throughout the nation at risk. This year, the problems are varied and complex.

"We've made notable progress in cleaning up our waterways over the last 20 years, thanks to the Clean Water Act and other major legislative initiatives," stated Rebecca Wodder, president of American Rivers. "Rivers like the Cuyahoga no longer catch fire, and they no longer run red with untreated industrial waste. But now, our rivers face new threats which are often less visible and more insidious than in years past, and may actually reverse the successes we've had."

For example, diffuse polluted run-off from farms, city streets, and yards is degrading water quality; explosive population growth in arid areas is depleting scarce water resources; urban sprawl is chewing up floodplains and riparian areas; and dams are drying up river beds and destroying habitat.

"Because these problems are the result of our collective actions, as opposed to any one single action, they threaten our rivers with death by a thousand cuts," added Wodder. "Today, more than ever, we need ambitious, comprehensive solutions if we are to achieve long-term river health."

The purpose of the endangered and threatened rivers report is to alert the public to impending threats to rivers in order to mobilize community action around protecting and restoring locally and nationally significant waterways.

"Despite its discouraging picture, the list is meant to convey an underlying message of hope," said Wodder. "If we continue to draw attention to the impact that our actions as individuals and as a society have on the river environment, we stand a chance of saving, protecting, and restoring one of this country's greatest assets."

This year's most endangered river is the Missouri River, threatened by dams and channelization which support commercial navigation. Other endangered rivers include the Hudson River (NY), the White Salmon River (WA), the San Joaquin River (CA), Mill Creek (OH), and the Wolf River (WI).

This year's twenty most threatened rivers include the Animas River (CO, NM), the Blackfoot River (MT), the Red River of the North (SD, ND, MN, Canada), the Neuse River (NC), the New River (CA, Mexico), and the Russian River (CA).

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Summary of Threat

The Taku River forms the heart of a 7,000-square mile watershed in both Alaska and British Columbia and is one of the last intact and undisturbed large watersheds in North America. While currently there is no commercial logging, significant mining, or settlement activity within the entire region of the Taku River watershed, a proposal to reopen a 40-year old copper/gold mine in this ecologically fragile area threatens this wild river.

The River

The Taku River is the largest unprotected wilderness river system on the western shore of North America and the largest watershed south of the Alsek-Tachenshini river system and north of the Sukine River. It is one of the largest salmon producing streams in southeast

Alaska, supporting all five species of Pacific salmon and steelhead and a salmon fishery worth millions of dollars.

The source of the Taku is approximately 105 miles south and east of Juneau, Alaska. The lower 25 miles of the river flow through Alaska's Tongass National Forest and have been found eligible for inclusion in the National Wild and Scenic Rivers System due to their outstanding fish and wildlife and scenic, geologic, and ecologic values. The Taku River in British Columbia has been nominated for inclusion in the Canadian Heritage Rivers system based upon its natural and cultural values.

The Risk

The Tasequo Chief Mine was first operated by Cominco, Ltd. in the 1950's but closed after only six years of operation due to depressed copper prices. The properties have subsequently been acquired by Redfern Resources Ltd., a Canadian mining firm which wants to reopen the mine.

Acid mine pollution from the abandoned mine continues to leach toxic sulfuric acid into salmon bearing streams.

Draft reviews of Redfern's proposal by the British Columbia government state that reactivation of the mine could result in chronic discharge of effluent contaminated with acids, heavy metals, petroleum products,

and/or toxic reagents. In addition, failure of the proposed tailings impoundment would have devastating effects on downstream fisheries which are protected by several international treaties.

The threat to the Taku River system is increased by Redfern's proposal to build a 160-kilometer road with 69 stream crossings from Atlin, B.C. to the mine site. This road would open up the as yet undisturbed wilderness to increased development, including timber harvest and additional mining operations.

What Can Be Done

In November 1996, Redfern completed and filed the "Tasequo Chief Project Report" with Provincial and federal government agencies in support of its application for a "Project Approval Certificate." In January, the British Columbia government found the report deficient and requested additional information.

The Taku River Tlingit First Nation has stated that the mine should not be considered until the conclusion of land claim treaty negotiations and the completion of a land protection plan. In addition, conservationists on both sides of the border have called for greater environmental review and protection of fishery resources currently protected by international treaties.

FOR MORE INFORMATION, CONTACT:

Tom Cassidy, American Rivers
(202) 547-6900

Ian Kean, Taku Protection Coalition, British Columbia
(604) 687-3417

Peggy Wilcox, Southeast Alaska Conservation Council
(907) 586-6942

Gershon Cohen, Alaska Clean Water Alliance
(907) 766-2296