

## News Release

For Release: Wednesday, Oct. 25, 2000

### **Indefinite Postponement of Cheviot Mine Conservation Groups Say Feds Would be Foolhardy to Approve Now**

Local, provincial and national conservation organizations are not surprised by the announcement of the Luscar Mine closure and indefinite postponement of the Cheviot Mine. Cheviot is proposed adjacent Jasper National Park at tree-line in the Alberta Rocky Mountains. The province had zoned the area as Critical Wildlife habitat in 1986. The groups will be calling on the new federal Cabinet, once appointed, to not issue the final approvals for Cheviot. They maintain approving the mine now will saddle the region with a lose-lose scenario, no benefits from a mine and no benefits from having a park of international stature. Even in the face of no plans for development of Cheviot, its approval would block any other significant use of these public lands, including wildlife habitat enhancement and park designation. They will also be asking the province to move forward with designating the area as a Wildland Provincial Park.

June of this year, Luscar Ltd. had let financial institutions know that only 30 months of coal remained at their Luscar Mine. At last spring's hearing over the Cheviot application, an independent, international coal-market expert retained by the conservation groups testified that Cheviot would be too costly a development to be viable. Natural Resources Canada went so far as to agree with the coalition's experts, AEC Resource Consultants, regarding the near future. The mine was to export coal abroad for steel making. NRCan went on to say any long-term market predictions were "crystal ball gazing" and left it at that. Yesterday, Luscar officials confirmed there is no market for Cheviot coal and that they have excess production capacity for the same coal at their Line Creek Mine in southeast B.C. Annually, starting in the spring of 1998, Luscar had publicly stated there are alternatives to Cheviot, should it not proceed.

"We tried to encourage all parties to instead work on alternatives to Cheviot and environmentally sustainable development for Hinton," explains Dianne Pachal of the Alberta Wilderness Association. "Had the responsible provincial and federal agencies listened, the Hinton region would be anywhere from two to three years ahead now in addressing a future without any coking coal mines."

A Federal Court hearing held in Edmonton March 1999 over the groups' lawsuit found the review of the mine application did not comply with the Canadian Environmental Assessment Act (CEAA) and struck down the first of the federal authorizations for the mine. The groups then approached the federal Environment Minister, company, mine union and Mayor of Hinton, asking that they make use of the mediation process provided by CEAA and focus on development of alternatives instead of proceeding with a supplemental hearing. Already in 1997, due to threats to Jasper National Park, a World Heritage Site, the United Nations' World Heritage Committee had asked Canada to work with Alberta to develop alternatives to the Cheviot mine.

At the supplemental hearing, the groups' other economic experts, Applications Management, testified that from a public perspective, the economic value of the mine option and the economic value of leaving the wildland area as is are in the same order of magnitude.

“On one hand you have the Panel concluding there would be significant environmental effects to the landscape, migratory birds, soils and recreation; Parks Canada maintaining the mine would seriously threaten the ecology of Jasper National Park, particularly wildlife; a group of scientists pointing out that this is a biological hot-spot which should be preserved; and a Federal Court finding that the mine would contravene the Migratory Birds Convention Act. On the other hand, the parent companies have consistently stated they have alternatives to Cheviot. So why in the world is the federal government still considering approval of the mine?” asks a frustrated Sam Gunsch of the Canadian Parks and Wilderness Society.

Responding to Luscar’s intention to still pursue approval for Cheviot, Pachal notes, “Of course the company still wants the approvals. In the world of stocks, a coal lease with a mine approval is still worth more than just a coal lease, even if the mine’s never built and in Alberta a mine permit remains in place indefinitely. But it’d be foolhardy for Federal Cabinet to approve the mine now, when the company clearly has alternatives and Cheviot would contravene the Migratory Birds Convention Act.”

The purpose of the Migratory Birds Convention Act and regulations is to protect migratory birds and their habitat. Cheviot would fill eight streams and valleys with excavated rock at a rate of around 30 million tons a year over 20 years. The Canadian Wildlife Service described the proposed area of the mine as “as good as it gets in North America” for neotropical song birds, migratory birds that breed here and winter in the tropics. The hearing Panel did conclude the mine would have a significant, long-term impact on them and acknowledged their populations are of concern as they are declining in North America. April 1999, Justice Campbell concluded that if the mine proceeds to dump rock in the valleys, it would contravene the Act.

During questioning at a press conference today in Edmonton, President and CEO for Luscar, Gordon Ulrich, admitted that the environmental approval process was not the reason for indefinitely postponing the mine. The news release from the parent companies, Luscar and Consolidated Coal, notes, “the construction of Cheviot has been dependent on the business case for the mine.” Earlier in the day while speaking to the investment community, Ulrich simply stated, “there is no confirmed market for Cheviot.”

The AWA Coalition consists of the Alberta Wilderness Association, Canadian Parks and Wilderness Society, Jasper Environmental Association, Pembina Institute for Appropriate Development, Ben Gadd, author of the Handbook of the Canadian Rockies, and long-time area resident and guide, Rocky Notnes. Together with the Canadian Nature Federation and represented by the Sierra Legal Defence Fund, the organizations won their lawsuit against the Federal government and hearing Panel for failing to comply with CEAA. This September, the Panel issued its report from its second, supplemental hearing, and again recommended that the mine be given approval. A Federal Cabinet decision on the report is pending.

- 30 -

**For more information contact:**

AWA, Dianne Pachal  
(403) 283-2025, Calgary

CPAWS - Edmonton Chapter,  
Sam Gunsch, (780) 422-5988

Jasper Env. Assoc., Jasper  
Jill Seaton, (780) 852-4152

Pembina Institute, Chris Severson-Baker  
(403) 269-3344, Calgary

CNF, Kevin McNamee  
(613) 562-3447, Ottawa

## Background

For Oct. 25, 2000 News Release:

"Indefinite Postponement of Cheviot Mine

Conservation Groups Say Feds Would be Foolhardy to Approve Now"

### Chronology of Key Events:

- Summer 1996 - Mine application and company's environmental impact assessment (EIA) available to public.
- Nov. 1996 - Federal departments release their deficiency report on the company's EIA to public.
- Nov. 1996 - Federal-provincial Joint Review Panel appointed to review application, report on environmental effects and make recommendations.
- Jan., Feb. 1997 - Panel holds public hearing in Hinton, Alberta.
- June 1997 - Panel's report and recommendations released, recommending mine approval.
- Oct. 1997 - Federal cabinet decision accepts panel's recommendation to allow the mine.
- Nov. 1997 - Lawsuit launched by Canadian Nature Federation, Canadian Parks & Wilderness Society, Alberta Wilderness Assoc., Jasper Environmental Assoc., and Pembina Institute for Appropriate Development. Represented by Sierra Legal Defence Fund.
- Dec. 1997 - UNESCO, World Heritage Committee expresses concerns, asks Canada to reconsider and together with Alberta, to work on alternatives.
- Feb. 1998 - Scientists issue statement calling for protection of the area instead of a mine.
- May 1998 - Parent company reports it does have alternatives should Cheviot not proceed.
- June 1998 - Lawsuit dismissed on narrow technicality.
- Aug. 1998 - First of a set of authorizations issued for the mine by Fisheries and Oceans Minister.
- Dec. 1998 - Conservation organizations win appeal and a new court hearing is ordered.
- Apr. 1999 - Federal Court rules review did not meet requirements of the Canadian Environmental Assessment Act and hence, strikes down the authorizations for the Cheviot Mine.
- May 1999 - Parent company again reports it has alternatives.
- June 1999 - Panel re-appointed, supplemental review initiated to meet CEAA requirements.
- Mar., Apr. 2000 - Panel holds supplemental public hearing in Hinton, Alberta.
- June 2000 - Under questioning about closure of their Gregg River Mine in the Hinton area, parent company confirms their Line Creek Mine is an option should Cheviot not proceed.
- Sept. 2000 - Panel's second report and recommendations released, recommending mine approval.
- Oct. 2000 - Parent companies announce indefinite postponement of Cheviot and closure of Luscar Mine, with lay-offs at Luscar Mine commencing in November.

### Environmental Significance of the Proposed Mine Location:

Described as a "biological hot spot" by scientists, there are 30 species of mammals and birds listed as being rare or in trouble in Alberta which reside in the proposed mine area, along with a number of rare plants and insects, and an endangered fish, the bull trout. The Alberta Government's regional plan had zoned the area as a Critical Wildlife, "crucial to the maintenance of specific fish and wildlife populations." Other assessments have identified it as unique due to its combination of glacial history, geography and rare plants and animals; recommending that it be considered for establishment as a Natural Area of Canadian Significance.

Both the company's and Parks Canada's experts concluded that the mine would result in the direct loss of quality habitat and wildlife travel routes for at least 100 years.

### The Joint Review Panel:

The Joint Review Panel consisted of one federal appointee from Alberta, and two from the Alberta Energy and Utilities Board (EUB), the regulatory Board that approves oil and gas, coal and other energy developments in the province. With an extremely rare exception, an EUB hearing has never used environmental grounds to turn down a development application.