

Alberta Wilderness Association, Canadian Nature Federation, Canadian Parks & Wilderness Society,
Jasper Environmental Association, Pembina Institute for Appropriate Development

News Release

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Companies Proceed With Alternative Mine in BC Conservation Groups Say Approval of Cheviot Would Now Be Illegal

Local, Alberta and national conservation organizations have written the federal ministers of Fisheries and Oceans, and Environment, outlining how federal approval of the Cheviot coal mine now would be contrary to the Canadian Environmental Assessment Act. The controversial mine was proposed near Jasper National Park. As of December 31st, the parent companies are clearly proceeding with an alternative to Cheviot. Taken together with the companies' earlier announcement to shelve Cheviot, the organizations maintain there is now no "project" as defined by the Act, and that the Act does not provide for the approval of what would simply be an option to develop at some future, unknown time.

A federal response is expected soon to a second set of recommendations from the federal-provincial hearing panel that reviewed the Cheviot application. The organizations, which already won one lawsuit against the federal government and panel over Cheviot, say it is time the federal and provincial governments acknowledge there is no Cheviot mine now, and instead work together to establish the site as a park and an addition to the adjacent World Heritage Site.

As the mine requires both federal and provincial approval, the organizations have also written the provincial regulatory board, asking them to revoke the mine permit. They argue that conditions the Alberta Energy and Utilities Board made part of the permit would not be met by the companies. The Board has asked the companies for a response and will be issuing a decision "in due course."

"In the fall of '97, the press reported that the federal Cabinet was delaying announcement of its decision while it figured out how to sell the Cheviot proposal to Canadians. No need to sell it now. The companies have moved on to Line Creek. It's time the Prime Minister and Cabinet acknowledge that Cheviot is dead," asserts Dianne Pachal of the Alberta Wilderness Association. "It's time to revoke the Cheviot coal leases and protect this beautiful high country forever."

Sam Gunsch, of the Canadian Parks and Wilderness Society, says, "With respect to stopping the mine from harming Jasper National Park, the United Nations' World Heritage Committee had already asked the governments to work on alternatives to Cheviot. Parks Canada had already told public hearings, twice, that the mine threatens the well-being of the park. The Hinton area now has no coking coal mines because of permanent technological changes in steel making and foreseen market decline. Turning this scenic wildland and critical wildlife habitat into a park is overdue and needed!"

With Luscar Ltd.'s December 31st sale of 50 percent of its Line Creek mine to CONSOL of Canada, these two companies, which jointly proposed the Cheviot mine, are now set to use Line Creek as the alternative to Cheviot. They had proposed the massive Cheviot open-pit mine high in the Rocky Mountains near the eastern boundary of Jasper National Park, a World Heritage Site. But last October they announced plans to shelve the development, citing long-term, low coal prices.

The Line Creek mine is located 27 km north of Sparwood, BC. It has enough coal reserves to fill existing export agreements and to also expand to cover off what would have been produced by Cheviot, should there be future markets for the coal.

Coal market analyst Peter Kittredge, president of Victoria based AEC Resource Consultants Ltd., says the recent steps taken by the parent companies are consistent with the expert evidence he gave at last spring's hearing, namely that Cheviot was not viable. "The sharply lower production costs of their main competition in Australia and Canada, and the poor long-term outlook for hard coking coal demand rendered Cheviot unrealistic all along."

Kittredge notes, "Having been forced by the Japanese to finally remove their market blinkers and to abandon their mantra that 'the coal market is cyclical and will recover,' Luscar really had no choice but to abandon Cheviot and sell assets to shore up their less-costly Line Creek mine, their last remaining export coking coal mine."

CONSOL of Canada is a wholly owned subsidiary of CONSOL Energy Inc. of Pittsburgh, and Alberta-based Luscar is chaired by former Alberta premier Peter Lougheed. Luscar and CONSOL, through their joint venture Cardinal River Coals, proposed Cheviot on lands designated by the province as a Critical Wildlife zone.

Last September, prior to the companies announcing the shelving of Cheviot, the panel again recommended that the federal government approve the mine, despite the acknowledged, significant damage it would cause the wildland environment. And notwithstanding the companies' new joint venture at Line Creek – with the clear intention to use that mine instead of Cheviot for exporting iron-smelting (coking) coal – the companies still want approval for Cheviot.

The organizations that have consistently argued against the Cheviot mine's location are the Alberta Wilderness Association, Jasper Environmental Association, Canadian Nature Federation, Canadian Parks and Wilderness Society and Pembina Institute for Appropriate Development. Another active member of the coalition is Ben Gadd, geologist and author of the *Handbook of the Canadian Rockies*. On page 129 of that book, Gadd predicted the end of coking-coal mining in Alberta.

With the legal representation of the Sierra Legal Defence Fund, in 1999, the organizations won their lawsuit against the panel and federal government for failing to comply with the Canadian Environmental Assessment Act during the first review of the mine application. This ruling revoked a federal approval for the mine and precipitated last spring's hearing and the supplemental report from the panel. A federal court has already ruled that proceeding with the mine would contravene the Migratory Bird Convention Act because Cheviot would fill stream valleys and permanently bury migratory bird habitat under millions of tonnes of excavated rock.

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