



November 10, 2009

Honourable Gordon Campbell
Premier of British Columbia
PO Box 9041 Stn Prov Govt
Victoria, BC V8W 9E1

Via email

Dear Premier Campbell:

Re: Land Use Planning and Certainty in the Flathead Region

On behalf of the 300 corporate and 3500 individual members of the Association for Mineral Exploration British Columbia (AME BC), I am writing to you concerning the important issue of the status of the Flathead region in southeastern B.C. and, more broadly, regarding the entire issue of land use planning and its purpose in B.C.

Recently there has been considerable pressure raised by American political figures and environmental non-governmental organizations (ENGOS) regarding the Flathead region. Self-appointed spokespersons are demanding that approximately 160,000 hectares of this strategic region of the province be added to the Waterton-Glacier International Peace Park and mineral exploration activities are completely restricted. For the most part these interests have bypassed First Nations, local, provincial, and national governments in Canada and have appealed to Washington and UNESCO—presumably because such interests would be more sympathetic to their arguments.

On behalf of the mineral exploration and development sector and in the interests of all British Columbians, I would ask you to reject any externally driven campaign that might restrict the ability of our sector to carry out responsible mineral exploration work. What is at stake here is larger than the Flathead itself. British Columbia's sovereignty and ability to make properly considered land use decisions are threatened. The whole point of land use planning in B.C. is to provide certainty: certainty as to where our protected areas are; certainty regarding access for citizens; and certainty for industry to access land, develop resources responsibly, and create wealth and jobs. Any acquiescence to land use planning changes, without due process, undermines this certainty.

Most of British Columbia, with a few notable exceptions, now has completed land use plans. The East Kootenay Land Resource Management Plan and the Southern Rocky Mountain Management Plan were completed years ago after hundreds of hours of hard work by impacted parties, local residents, and other volunteers. Moreover, according to the Integrated Land Management Bureau, over 16.5% of the southeast region is in protected areas, while another 11.3% is in special management zones (including wildlife management zones) that restrict most, if not all, industrial activity or resource extraction. This

constitutes almost 28% of the land base, well above the 12% contemplated by the United Nations Brundtland Commission and certainly more than the majority of jurisdictions around the world.

In fact, your government has previously recognized that difficult trade-offs were made. In November 2001, your government issued a news release^[i] regarding the Southern Rocky Management Plan stating, "The government has concluded that the previous government's decision on the Southern Rocky Mountains conservation area failed to balance environmental issues with the needs of the people in the East Kootenay region. The process used to establish the conservation area was secretive and lacked transparency and involvement of all interests." The current government then implemented a new plan which, it stated, "...will provide the basis for consistent decision-making in the area by guiding future tenures and permits in the plan area."

Thus despite the creation of a generally agreed upon land use and management plan with input from local citizens, the protection of a considerable portion of the region, and the existence of a committee to oversee that plan, external actors are being allowed to impose their values without ever having participated in the process. The dominance of special interest to override due process could make a mockery of land use planning across British Columbia and fundamentally calls into question its purpose.

The mineral exploration sector participates in land use planning discussions in good faith; realizing outcomes will almost inevitably restrict exploration access to some of the land base. The nature of land use planning involves striving to balance different values within such discussions and negotiations. What the mineral exploration sector does not expect, however, is that the results of those negotiations can be swept aside by external pressure with little or no effort to include the stakeholders who worked so hard to craft those original land use plans in the first place.

To more clearly make the point, Western Canada Wilderness Committee spokesman Ken Wu recently criticized the B.C. government on a forestry-related matter for wanting "...to put in place a major land use change without a land use planning process, or any public process." Wu called it a "a no-go." In our view the WCWC couldn't be more correct; consistent land use standards and a transparent process must be applied throughout the Province. But this approach is only effective if all parties accept the outcome, regardless of whether they agree with it.

On behalf of the AME BC, I cannot emphasize enough how critical the issue of land use certainty is to our organization, our members, and many of our stakeholders. Lack of confidence in the B.C. land use planning process could work to seriously undermine investor confidence in our province and diminish the long term viability of the B.C. mining sector at a time when mineral exploration expenditures have decreased disproportionately compared to other Canadian and international jurisdictions. Although the province reported record high expenditures in 2007, B.C.'s share of national mineral expenditures has now fallen from 18% in 2006 to a projected 10.5% in 2009^[ii]. The global recession cannot explain the relative drop between competing jurisdictions, but concerns related to certainty of process related to permitting, land use planning, and Aboriginal relations in British Columbia are often cited as key reasons why investment is choosing to go elsewhere.

Ad-hoc land use decisions by previous B.C. governments under pressure from Americans and ENGOs resulted in severe long term investment ramifications for the industry in this province that reverberate to this day. One notable short-sighted example was the creation of Tatshenshini-Alsek Park in northwestern B.C., which resulted in the expropriation of the Windy Craggy mineral property with little or no consultation nor consideration for the broad needs of British Columbians and the province's right

to manage its natural resources. The associated cost to taxpayers to pay for compensation and lost economic opportunities were considerable and could have been mitigated, if not avoided, through a fair and transparent process.

As we all strive to emerge from an economic recession, it is clear that the B.C. mineral exploration and mining industry could be the bright lights of our economy. Metal and coal prices have recovered faster than most other commodities, and our members and stakeholders are poised to take advantage of an improving market. It would not be in anyone's interests to hamstring the future of the \$8 billion sector at this critical time.

Once again, let me emphasize the importance our members place in open, transparent and fair processes. Any decisions regarding the Flathead or other major changes to existing land use plans must be driven by British Columbians with all voices fairly heard, especially those such as geoscientists who understand the importance of the public's mineral resources to all citizens. The Flathead can, and should, remain open to everyone. Limiting mineral exploration and potential mining in the Flathead is not the best outcome for British Columbians or Canadians - allowing the existing due processes to continue, including proper public consultation, is the answer.

Thank you in advance for your time and consideration of this important matter. I look forward to a meeting where we can more fully discuss the issue and potential solutions.

Sincerely,

Gavin C. Dirom, M.Sc., P.Ag.
President & Chief Executive Officer
Association for Mineral Exploration British Columbia

cc: Board of Directors, AME BC

References:

^[1] Ministry of Sustainable Resource Management. Southern Rocky Mountain Management Plan. News Release, November 2001.

^[1] Natural Resources Canada. Exploration and deposit appraisal expenditures, by province and territory, 2005-2009.