

OFFICE OF THE GOVERNOR  
STATE OF MONTANA



BRIAN SCHWEITZER  
GOVERNOR

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LT. GOVERNOR

February 7, 2005

The Honourable Gordon Campbell  
Premier, Province of British Columbia  
PO Box 9041, Station Provincial Government  
Victoria, British Columbia V8W 9E1  
Canada

Dear Premier Campbell:

I thank you for the letter of January 31 from Dr. Sheila Wynn, Deputy Minister of Energy and Mines providing clarification about coal exploration projects in the Flathead Valley.

As a rancher on the Montana side of the Flathead Valley, I have recently moved to Helena to serve an initial four-year term as governor. As a resident of the Flathead, I was pleased to learn of your work with my predecessor, Governor Judy Martz, on an Environmental Cooperation Arrangement between British Columbia and Montana. This September 2003 agreement provides an excellent framework for ongoing collaboration between our governments. I look forward to working with you to develop an action plan that implements the agreement.

Montana has designated the Flathead Basin Commission as its lead agency to work with your government to draft this action plan. The commission includes representatives from the various local, tribal, state, and federal agencies that have some form of jurisdiction in the Flathead Basin. It also includes seven citizen members appointed by the governor, as well as a representative from the provincial government of British Columbia. We appreciate the able representation provided by Wayne Stetsky of the Ministry of Water, Land and Air Protection.

It is my understanding that discussions about the action plan have been initiated with the Montana Department of Environmental Quality. DEQ will remain actively engaged in these discussions through its representation on the Flathead Basin Commission, and I will continue to consult with DEQ Director Richard Opper on this issue. It is my understanding from Dr. Wynn's letter that the Ministry of Water, Land and Air Protection is the lead agency for British Columbia. I would propose that you and I approve and sign the final action plan.

The State of Montana is maintaining the position of the previous administration regarding the prudent approach to transboundary environmental and resource development issues. We support the concept of a comprehensive environmental and socio-economic baseline assessment of the transboundary region prior to new fossil-fuel energy development. Such an assessment could be initiated by federal reference to the International Joint Commission under its mission to prevent disputes in transboundary watersheds. For most of its history, the IJC has been charged with resolving disputes, which was the situation with the Flathead Valley Cabin Creek Coal Mine referral in the 1980s. However, I prefer a more proactive and constructive approach before specific projects reach the level of controversy. The IJC has indicated its willingness to facilitate such a baseline assessment that would be conducted by a bi-national team of experts.

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It is worth noting that the International Joint Commission itself suggested such an approach in its 1988 report on the Cabin Creek mine. The Commission recommended that the governments formulate a "creative, binational approach" based upon the principles of binational studies, fact finding and planning, and mutually acceptable uses of resources.

As you know, there was tension between the State of Montana and the Province of British Columbia last year over two proposed coal mines and the auction of coalbed methane drilling licenses in the Flathead Valley. I appreciate your government's decision last May to temporarily set aside the area slated for new coal mines. Industry's decision not to bid on the methane drilling licenses provides an opportunity for us to work together without reference to any specific project. The latest coal exploration in the Flathead, the continued interest in CBM drilling, and your government's latest proposal to develop coal resources in the federal Dominion Coal Block provide further impetus for cooperation now. We understand and appreciate from Dr. Wynn's letter that there currently is no imminent project in the transboundary Flathead Valley.

It is important to recognize that we are not asking for any measures that we wouldn't apply also on our side of the border. As you may know, the administration of President George W. Bush last October placed a moratorium on oil and gas drilling on Montana's Rocky Mountain Front immediately south of Glacier National Park. An ongoing study of the effects of several drilling permits was terminated because the U.S. government recognized that the zone of impact was much larger than those specific well sites. The US Bureau of Land Management opted instead for a much broader, landscape-level assessment, to be initiated no sooner than 2007, which would guide future oil and gas exploration. My administration supports this decision.

The Rocky Mountain Front, like the Canadian Flathead and Elk Valleys, is part of a large region that long ago was named the Crown of the Continent. Together, they encompass an ecologically diverse, biologically rich, and aesthetically priceless region in the heart of North America. The core of this transboundary region is the world's first peace park, Waterton-Glacier International Peace Park, established by Parliament and Congress in 1932. The middle of the Wild and Scenic North Fork of the Flathead River serves as the western boundary of Glacier National Park. This is truly a globally significant landscape.

Recent studies suggest that the region's clean waters, abundant wildlife, dramatic scenery, and diverse recreational opportunities are driving economic growth and vitality in adjacent Montana communities. I understand that a similar trend can be found in Canadian communities. For this reason, I believe that all due caution and the best possible information be applied to future decisions that might impact these environmental and economic assets.

Last summer, a delegation of officials from the Ministry of Energy and Mines and the Oil and Gas Commission met with Montana officials in Helena. At that time, Montana learned that a consultant for the Ministry had identified "a critical information gap" in watersheds that would receive coal bed methane wastewater. The consultant recommended baseline water quality monitoring for at least three years prior to drilling and wastewater production. Similarly, we understand that little monitoring has taken place in the headwater streams of the Flathead River where the current coal exploration is being conducted.

We truly believe that the environmental and economic values of this Crown of the Continent region are too great to embark upon new industrial energy production without the benefit of a comprehensive baseline assessment. Montana and the United States government have adopted this position on our side of the border. I would very much welcome the opportunity to join with the appropriate Canadian jurisdictions to conduct such an assessment collaboratively in the transboundary watersheds.

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I look forward to meeting you in person, and I invite your feedback on these proposals.  
Sincerely,

A handwritten signature in black ink, appearing to read "Brian Schweitzer". The signature is stylized with a large initial "B" and a long horizontal stroke extending to the right.

BRIAN SCHWEITZER,  
Governor  
State of Montana

cc: Athana Mentzelopoulos, Deputy Minister  
Intergovernmental Relations Secretariat

Gordon Macatee, Deputy Minister  
Ministry of Water, Land and Air Protection

Colin Robertson, Minister  
Washington Advocacy Secretariat

Michael Fine, Consul General  
Office of the Canadian Consulate General

Luis Arreaga, Consul General  
Consulate General of the United States of America

Dr. Sheila Wynn, Deputy Minister  
Ministry of Energy and Mines

Herb Gray, Chairman  
International Joint Commission

Dennis Schornack, Chairman  
International Joint Commission

US Senator Conrad Burns  
US Senator Max Baucus  
US Representative Dennis Rehberg

Mary Sexton, Director  
Department of Natural Resources and Conservation, Montana

Richard Opper, Director  
Department of Environmental Quality, Montana

Rich Moy, Chair  
Flathead Basin Commission, Montana