



Flathead Coalition

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February 17, 2006

The Honourable Gary Lunn
Minister of Natural Resources Canada
Natural Resources Canada
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Dear Minister Gary Lunn,

Congratulations on your recent re-election and your appointment to the federal cabinet. We are especially pleased that a Member of Parliament from British Columbia is at the helm of Natural Resources Canada.

We write on behalf of the Board of Directors of the Flathead Coalition, which is a transboundary alliance of community, tribal, business, hunting/angling, and conservation interests, founded in 1975, with the mission of protecting the natural watersheds shared by British Columbia and Montana. We are international neighbors working for clean water, healthy habitat and thriving communities.

Natural Resources Canada manages the Dominion Coal Blocks in southeastern British Columbia, which includes approximately 15,000 acres in the headwaters of the Flathead Valley with the balance of about 30,000 acres in the Elk Valley. We understand that the previous government and the Province of British Columbia were discussing the possible transfer of those lands to the Province. The 2004 British Columbia Mining Plan includes an action item to assume ownership and promote industrial development of these lands.

We want to alert you to the sensitive local and international dimensions of the possible transfer of the Dominion Coal Blocks to the Province.

The Elk River flows into Lake Koocanusa, which is a transboundary lake formed by the Kootenay River. The Flathead River rises 40 miles north of the border, flowing through a broad, uninhabited valley into Montana, where it forms the western boundary of Glacier National Park and is known as the North Fork of the Flathead. As our name implies, the Coalition's primary focus is the Flathead/North Fork Flathead, which is part of the watershed of Flathead Lake. Recently called "the wildest valley" by the *New York Times*, the Transboundary Flathead is a

globally significant watershed that is cherished for its natural values and beauty. It is especially well known in the United States, but also held in deep appreciation in Canada, especially among hunters, anglers and wildlife enthusiasts. The Transboundary Flathead, for example, is the North American stronghold of the Rocky Mountain grizzly bear. The Transboundary Flathead is distinguished by a broad floodplain ecosystem, a wilderness valley virtually uninhabited by people, and one of the few Rocky Mountain watersheds undisturbed by dams, industrial mining or energy development, or paved roads.

In 2003, when Natural Resources Canada was contemplating the transfer of management and/or ownership of the Dominion Coal Blocks, the Ministry commissioned a Species at Risk Inventory, because information about species listed under the federal Species At Risk Act (SARA), was identified as a critical knowledge gap. The study, prepared by Raymond Demarchi and Carol Hartwig of Ecodomain Consulting (Duncan, British Columbia), broadly documented the outstanding wildlife, botanical, and fishery values in the area encompassing the federal lands. However, they also found that very little specific data has been developed for these lands. The report recommends a comprehensive inventory program for ten groups of species. This includes at least seven species-at-risk, including bull trout, fisher, grizzly bear, wolverine and Rocky Mountain bighorn sheep. So far, only two of these inventories have been conducted.

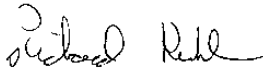
As you may know, the State of Montana and the Province of British Columbia are actively discussing a possible collaborative watershed assessment. The urgency of these discussions received an added boost in January when the Cline Mining Company proposed construction of an open-pit coal mine at the Lodgepole/Foisey prospect in the headwaters of the Flathead Valley, very near the federal Dominion Coal Blocks. British Columbia, Montana, and the federal governments are currently discussing the transboundary context for this mining application. We anticipate that this discussion will expand to encompass a newly announced exploratory program proposed at the Lillyburt coal prospect on the Flathead River floodplain.

In their September 2005 meeting in Victoria, Montana Governor Brian Schweitzer and British Columbia Premier Gordon Campbell specifically discussed the need for a comprehensive baseline assessment prior to permitting the mine. In Gov. Schweitzer's January 20, 2006, follow-up letter to Premier Campbell, he specifically cites the findings of a Transboundary Flathead Research Needs Workshop as providing a framework for such an assessment. We are enclosing the executive summary of that November 2005 workshop, which was attended by 33 scientists and resource managers from British Columbia, Montana and Alberta. The full proceedings can be found at our web page, www.flatheadcoalition.org.

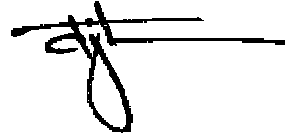
The Flathead Coalition respectfully asks that the Ministry of Natural Resources defer a decision on the transfer of Dominion Coal Block lands to British Columbia pending completion of a comprehensive baseline assessment. Further, we recommend that the Ministry, along with Environment Canada and Foreign Affairs Canada, participate in transboundary discussions currently underway about the future management and conservation of one of the most remarkable watersheds shared by our two nations. We respectfully recommend that decisions about transferring and developing the Dominion Coal Block, as well as decisions to permit industrial mining and energy development in the Transboundary Flathead, be guided by the results of this international consultative and resource assessment process.

Finally, we invite you to join us on the ground in the Transboundary Flathead, at your convenience, this summer. We would be pleased to guide you into the Dominion Coal Block, the Canadian Flathead Valley, and the North Fork Valley in Montana. By personally visiting these lands, we are confident you will share our appreciation for their beauty, ecological richness, and international significance. The Dominion Coal Block is a tremendous asset for the Canadian people, more so for the resources above than those below the surface of the ground.

Sincerely,



Richard Kuhl, President
Flathead Coalition
Kalispell, Montana



David Thomas, Director
Flathead Coalition
Fernie, British Columbia

Cc: The Honourable Rona Ambrose, Minister, Environment Canada
The Honourable Peter Gordon MacKay, Minister, Foreign Affairs Canada
The Honorable Condoleezza Rice, United States Secretary of State
Governor Brian Schweitzer, State of Montana
Premier Gordon Campbell, Province of British Columbia
Chairman Herb Gray, International Joint Commission, Canadian Section
Chairman Dennis Schornack, International Joint Commission, United States Section