

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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April 14, 2006

Garry Alexander
Director, Strategic Policy and Planning
Environmental Assessment Office
2nd Floor, 836 Yates Street
PO Box 9426 Stn Prov Govt
Victoria, B.C. V8W 0V1
CANADA

Re: *Lodgepole Project Draft Terms of Reference for Cline Mining Corporation's Application for an Environmental Assessment Certificate Pursuant to the Environmental Assessment Act*

Dear Mr. Alexander:

Thank you for allowing the State of Montana, the Confederated Salish and Kootenai Tribes, Flathead Basin Commission and various federal agencies to participate in your regulatory process regarding the proposed Cline Mine project in the Foisey/Lodgepole tributaries of the Elk and Flathead Rivers.

The following reflects the comments of the Montana Department of Environmental Quality, Department of Natural Resources and Conservation and the Department of Fish, Wildlife and Parks. Comments from the Flathead Basin Commission and the U.S. Environmental Protection Agency are also included herein.

After extensive review of the *Lodgepole Project draft Terms of Reference (TOR) for the Cline Mining Corporation's Application for and Environmental Assessment Certificate*, the above listed State and Federal agencies are concerned that the draft TOR, as currently written, contains insufficient information to adequately assess the environmental and socio-economic impacts of the proposed Cline Foisey/Lodgepole mine.

The Montana reviewing committee is also concerned that the timeline proposed by Cline Mining Corporation does not allow for a comprehensive environmental review, sufficient to evaluate the magnitude of the potential impacts of the proposed mine. As stated at the Working Group meeting on March 28, 2006, Cline intends to be in full production by December, 2007. Given the breadth of data collection required to attain a comprehensive baseline and scientific understanding of the potential impacts, the proposed timeline does not ensure that the socio-economic and environmental impacts of the proposed mine will be adequately assessed.

Garry Alexander
April 14, 2006
Page Two

Due to the lack of information in the TOR, including the lack of an adequate summary of the proposed project, the reviewing agencies found it difficult to provide detailed and constructive comments. Given this, the State and Federal government representatives request the opportunity to review a second draft of the TOR before Cline Mining Corporation enters the Application stage of the Environmental Assessment process.

With respect to baseline data collection, the reviewing committee referred to the extensive documentation contained in the Flathead River International Study Board reports (1988), resulting from the Sage Creek Coal Mine reference to the International Joint Commission. The Committee Technical Reports, based on over three years of intensive analysis by a bi-national team of fifty scientists, provided a critical starting point in determining baseline and impact assessment data for the proposed Cline Mine in the Foisey/Lodgepole drainages.

As you know, the State of Montana has been pursuing the collection of these data and other baseline data needs with British Columbia since 1988 when the IJC made its recommendations. Since it is difficult to define the data needs without a clear understanding of the proposed mine design, construction, operations and reclamation, we may be missing important impacts. However, based on our experience with large coal mines and the proposed Sage Creek coal mine at Cabin Creek, the following are the types of data that will be required for this project and the generic types of methodologies that will need to be deployed.

Rich Moy, Chair of the Flathead Basin Commission and Chief of the Water Bureau for Montana's Department of Resources and Conservation is the principle contact with regards to our review of the Draft Terms of Reference.

Thank you again for the opportunity to participate in the Environmental Assessment process, and for consideration of our comments.

Sincerely,



Hal Harper
Chief Policy Advisor to Governor Brian Schweitzer

Attachment

cc: Margaret Bakelaar, Senior Program Officer, 320-757 West Hastings Street, Sinclair
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