

Who's Paying for the Clean Up of the Worst Mining Spill in Canadian History?

Economist says taxpayers will be on the hook for nearly \$40 million; no charges for company responsible.

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The companies responsible for the Mount Polley spill — who have donated nearly \$200,000 to the BC Liberals since 2005 — have not been fined or charged for the disaster. Photo: Cariboo Regional District.

British Columbian taxpayers will be on the hook for \$40 million to clean up the worst mining spill in Canadian history and the company responsible has once again escaped criminal charges after a private prosecution was dismissed this week.

In August 2014 the 40-metre-high tailings dam at the Mount Polley mine near Williams Lake collapsed, sending 25-million cubic metres of contaminated sludge and mine waste sweeping into lakes and rivers — but no charges have been laid and no fines have been levied against Imperial Metals, the parent company of Mount Polley Mining Corp.

Since 2005, Mount Polley Mining Corp and Imperial Metals Corp have donated \$195,010 to British Columbia's ruling BC Liberal party.

“The key message to Canadians is “this was the biggest mining spill in Canadian history and there have been zero sanctions and zero fines, and certainly that’s not because of lack of evidence of damage to the environment,” said Ugo Lapointe, Mining Watch Canada’s program coordinator.

Mining Watch had launched (<https://www.desmog.ca/2017/01/13/federal-government-seeks-quash-lawsuit-against-mount-polley-and-b-c-government-evidence-heard>) a private prosecution of Imperial Metals and the B.C. government, alleging violations of the Fisheries Act — but federal government lawyers blocked that prosecution on Monday, arguing for a stay of proceedings as there are ongoing investigations by the B.C. Conservation Officer Service, Environment Canada and Fisheries and Oceans Canada.

The stay of proceedings and lack of government action is frustrating as there is a three-year statute of limitations on some offences, Lapointe said.

“This sets the wrong standards and sends the wrong signal to industry and other mines across Canada. It further undermines public confidence in the mining sector and erodes peoples’ trust in the ability of our regulatory system to effectively protect our environment,” he said.

Mining Watch is seeking costs and considering whether to take the case to a higher court, but public pressure is the best weapon and British Columbians should be asking politicians whether charges will be laid and demanding an explanation for the delay, Lapointe said.

A SumOfUs petition signed (<https://actions.sumofus.org/a/pm-trudeau-don-t-let-imperial-metals-off-the-hook-for-the-mt-polley-mining-disaster>) by more than 30,000 people urging the Trudeau government not to let those responsible off the hook will be presented shortly to federal ministers responsible for enforcing the Fisheries Act.

British Columbians on the hook

On top of the problem of government inaction, it is galling that Imperial Metals has not paid the full cost of the clean up, said Angus Wong, campaign manager for SumOfUs, which sponsored the petition.

“Instead British Columbians and Canadians picked up a big part of the tab,” he said.

After the dam collapsed, the provincial government assured (<https://www.desmog.ca/2016/06/10/cost-abandoned-contaminated-mine-sites-508-million-up-83-cent-2014>) British Columbians that under the province's polluter-pay-rules, Imperial Metals would pick up all clean up costs resulting from the catastrophe.

But independent economist Robyn Allan, who has analyzed figures used by Imperial Metals, said in an interview that, despite those assurances by Environment Minister Mary Polak, taxpayers are picking up almost \$40 million of the clean up tab, amounting to more than half of the response cost.

That figure is made up of \$23.6 million in tax refunds for Imperial Metals and \$15.5 million in direct costs incurred by government departments over the past two-and-a-half years, said Allan, former president of ICBC.

“Recoveries for these charges are a paltry \$625,000. This is because, under B.C.'s spill cost recovery regulation, cost recovery is severely limited,” she said.

Imperial Metals estimated clean up costs at \$67.4 million, a figure that has not changed in more than two years.

Under provincial rules, bonds posted with the province are supposed to cover reclamation after the mine closes, not environmental damage from an accident, and mining companies are not required to prove they have insurance or the financial resources to pay for damage they cause.

“The problem (<https://www.desmog.ca/2016/05/18/b-c-taxpayers-hook-underfunded-mine-disaster-and-reclamation-costs>) with this provincial government is that they have not made sure, when unintended environmental harm happens, that these companies have enough money to respond,” Allan said.

And, more such spills can be expected according to the independent expert engineering panel that looked at the Mount Polley disaster and predicted two such tailings storage failures are likely each decade unless half the 123 storage facilities in the province are decommissioned.

“The province has taken no steps to develop the recommended decommissioning strategy, but continues to approve wet tailings storage facilities such as Imperial Metals’ Red Chris mine,” Allan said.

“B.C. taxpayers can expect to continue to pay for environmental harm because the provincial government refuses to take steps to implement meaningful policies that ensure that, when the polluter pollutes, it is the polluter and not B.C. taxpayers that pay,” she said.

Mount Polley closed after the dam breach, but re-started full production the following year and Imperial Metals then opened the Red Chris copper mine in northwest B.C. which has a tailings pond and dam instead of dry stack tailings recommended by the expert panel.

Red Chris has raised alarm signals in southeast Alaska because the tailings storage facility is upstream from Alaska’s rich, salmon-bearing rivers.

Meanwhile, residents of the area affected by the Mount Polley spill say more work is needed (<https://www.desmog.ca/2015/08/09/they-re-getting-away-it-locals-say-no-blame-no-compensation-mount-polley-mine-spill>) to restore the lakes and waterways.

“We remain concerned with the ongoing discharge of mine effluent into Quesnel Lake,” said Christine McLean of Concerned Citizens of Quesnel Lake in a news release.

“As local residents and businesses, depending on these fish and waters, we want the B.C. government to restore Quesnel Lake and surrounding watershed to pre-breach conditions. We are not opposed to mining development, but we demand that governments enforce laws and ensure all mines operate in a responsible manner,” she said.

The tailings dam disaster is not over (<https://www.desmog.ca/2015/06/23/breach-trust-opposing-factions-divide-likely-b-c-months-after-mount-polley-mine-spill>) for those that live on the land and water and depend on the salmon, said Bev Sellars, chair of First Nations Women Advocating Responsible Mining.

“Nor is it over for those living in the shadows of other existing and planned mines across B.C. What is the point of having laws if governments and industry are not held accountable when they are violated?” she asked.

It is a question being asked with increasing regularity by other organizations concerned about the regulatory system governing B.C.’s mining industry.

A report from the University of Victoria's Environmental Law Centre, released (<http://www.elc.uvic.ca/publications/mining-judicial-inquiry/>) earlier this month, recommended (<https://www.desmog.ca/2017/03/08/public-inquiry-formally-requested-investigate-b-c-s-shoddy-mining-rules>) a judicial inquiry into regulation of the industry saying that the public has lost faith in the province's ability to protect the environment and communities from poor mining practices.

The ELC report singled out the Mount Polley disaster and ongoing acid mine drainage from the Tulsequah Chief mine as examples of government failing (<https://www.desmog.ca/2016/09/08/owner-acid-leaking-tulsequah-chief-mine-goes-receivership>) to enforce reclamation and clean up regulations.

Adding to public discomfort around enforcement of mining regulations is a stinging report, released (<https://www.desmog.ca/2016/05/05/auditor-general-report-slams-b-c-s-inadequate-mining-oversight>) last year by Auditor General Carol Bellringer, who concluded that government's enforcement efforts were inadequate.

"Almost all of our expectations for a robust compliance and enforcement program were not met," she wrote.

"The compliance and enforcement activities of both the Ministry of Energy and Mines and Ministry of Environment are not set up to protect the province from environmental risks." 🌱