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November 26, 1993

Dr. Tom Gunton
Assistant Deputy Minister
Ministry of Environment, Lands and Parks,
& Ministry Responsible for Multi-Culturalism
and Human Rights
4th Floor
Parliament Buildings
Victoria, B.C.

Re: Jumbo Glacier Resort Project Proposal

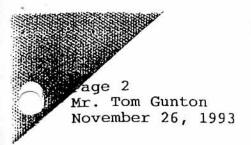
Dear Mr. Gunton:

On Thursday, November 18, 1993, I was having dinner with some of the members of the C.O.R.E. table for the East Kootenays, at the Griz Inn in Fernie, when I was introduced to Mr. Ray De Marchi.

After a few bon mots on the subject that I was obviously of Italian origin, his conversation changed to an aggressive and insulting style. Mr. De Marchi started making disparaging comments about the proposed project for the Jumbo Creek Valley, noting that he had some of our reports to Government and that we were welcome to do a project somewhere else, perhaps on the West Coast, but not in the East Kootenays and specifically not in the Jumbo Creek Valley.

He categorically stated that the East Kootenays were not open for development and cited a previous example of a developer who had not listened to his advice. I was stunned when he said that Jumbo Creek has no snow because it is near Panorama. But I was even more surprised when he started making threats, advising me that he would make sure that my clients would loose a lot of money on the project, which would not pass even if it had to be over his "dead body".

I expressed my displeasure regarding both the character of the conversation and its content, advising Mr. De Marchi that he had not understood the proposal. His remarks were overheard by quite a few people who told me not to take the conversation too seriously because Mr. De Marchi is known as a very opinionated person.



We are writing, however, because we are advised that Mr. De Marchi works in the Ministry, and we do not know how fair and due process can take place with this kind of an attitude.

Obviously, a civil servant should do his job objectively, make an honest attempt to understand the subject and be particularly careful about stating views when others are present, especially if no distinction is made between "personal" and "ministry/government" positions, and the full weight of being on the government's side is made apparent.

The fact is that the Provincial Government views as represented to us over a period of time by its appointed representatives is that the project has potential merit, and that it will receive appropriate and objective reviews assuming that the relevant lands are not excluded from development through due process.

This incident should not cast a bad light on other members of the excellent staff of your and other Ministries with whom we have a sound professional relationship, but we must stress that it came at a most inappropriate time and place, confirming serious reservations on the C.O.R.E. process that we will have to address in other correspondence.

Yours truly,
PHEIDIAS PROJECT MANAGEMENT CORPORATION

Cont

Per: Oberto Oberti, President

00/vm

cc. Mr. Jim Doyle

cc. Mr. Bill Irwin

cc. Mr. Brian McMahon

cc. Mr. Brian Rhodes



OFFICE OF THE DEPUTY MINISTER

December 31, 1993

Oberto Oberti, President Pheidias Project Management Corporation 300 1445 West Georgia St Vancouver BC V6G 2L3

Dear Oberto Oberti:

Thank you for your letter of November 26, 1993, expressing your concern about the involvement of Ray Demarchi in the Jumbo Ski Project.

I have asked Assistant Deputy Minister Jim Walker to explore your allegations of unprofessional conduct on behalf of Ray Demarchi with staff who were present at the Griz Inn on the evening in question. If these are substantiated, I will definitely take appropriate action.

On the larger issue of your concern that Ray Demarchi's personal convictions may influence the outcome of the Jumbo Creek proposal, I assure you that the decision-making process for such projects has been, and will remain, objective and fair. Ray Demarchi was not directly involved in a potential decision on this project in the past and will not be in future. As you are aware, the recommendations of the C.O.R.E. table will be the most significant factor in the approval or rejection of this project. There is no opportunity for any one employee to unfairly influence this process and there are checks and balances within the ministry to ensure that this is so.

I will contact you in future when I have the results of Jim Walker's inquiries.

Sincerely,

Thomas Gunton Deputy Minister