

Energy Insider by William Engdahl

Uranium production threatened

The U.S. could be forced to import nuclear fuel, if New Mexico environmentalists get their way.

It is very possible that within 50 days one of the nation's largest uranium mines may be shut down for no good reason. The New Mexico State Environmental Improvement Division (EID) has demanded from the Church Rock uranium mill facility, owned by United Nuclear Corporation (UNC), a plan for discharge of liquid tailings from its operation.

What makes the Church Rock case worth noting is an attempt to set a precedent which, if successful, could shut down uranium production throughout the Western states, raising for the first time the specter of the U.S. as an *importer* of uranium fuel from South Africa, Australia, or Canada. Let's see why.

Right now, UNC is in the unfortunate situation of all too many domestic uranium producers. The past four years under Carter have created a temporary stagnation of nuclear power plant projects. The delay or cancellation of billions of dollars of nuclear construction in the past two years alone has softened the market for uranium. In this vulnerable situation, in classic style, certain major uranium sellers, mainly from Canada, have begun "dumping" onto the U.S. market, forcing prices here to plummet from \$43 a pound down to about \$27 in recent months. As a result, many U.S. uranium mining companies are being forced to close.

The case of the Church Rock mill involves a facility that began

operation in 1977, and in its peak year, 1978, produced some 2 million pounds of the "yellowcake," uranium oxide. To give an idea, that amount provides enough reactor fuel to fuel five 1,000 megawatt reactors per year, or the power needed to supply a city of about five million, or the equivalent to 50 million barrels of oil annually.

EID has demanded that UNC satisfy the environmental officials that an estimated 7,000 gallons per day of tailings solution left from the milling process in holding ponds do not affect the underground aquifer.

State EID Director Tom Baca contends "they should not be operating. They are leaking a significant amount of acidic, radioactive, and toxic materials into the ground water." This sounds pretty frightening until you consider that this is in an area of quite definite "radioactivity," and that by definition, uranium *is* radioactive.

As for the so-called toxic materials, well, a lot of materials found naturally in the ground can be toxic if we swallow them. But, most of us more civilized folks, perhaps unlike some ardent lovers of nature, do not go around eating the subsoil, at least not indiscriminately.

UNC has spent more than \$1.5 million and 29,000 hours of work in "trying to satisfy the EID" on the safety of their operations since the highly antinuclear environmental subcommittee chaired by Sen. Morris Udall called them to testify

late in 1979 on a dam leakage at Church Rock. And there is not a shred of evidence from anyone, including the EID, that any underground water system in the Church Rock area existed before the milling operation began.

The EID is demanding it prove this, rather than the more customary proof of damage before requiring a plant be shut. In short, they are demanding that a mine with an estimated 35 million pounds of uranium in the ore body, which could be mined for another 20-25 years according to company spokesmen, be shut for failure to *disprove* an arbitrary notion of alleged hidden damage.

Of course, this is not in midtown Manhattan. The property, some 90 miles from Carlsbad, borders on one side a Navajo Indian reservation and on another, property owned by the Kerr-McGee Corporation, also a recent target of anti-nuclear demonstrators.

As of this writing, the company is working to design water evaporation ponds to control the amount of water needed to process and dispose of the chemicals. "These are the best, most elaborately designed evaporation ponds in the U.S.," a UNC spokesman told me. But what if the environmentalists at the EID say, "So what?" This points up the limitations of "states' rights" as a solution to excessive (and misdirected) federal power: in many of the states, we have a loose network of young, antigrowth zealots, and state agencies staffed with them, who make the task of resuming healthy growth in industry and energy doubly difficult. What happens in Church Rock will affect more people than the employees or stockholders of UNC.