

Uranium Impacted Communities

Candace Head-Dylla Testifies before the New Mexico Legislature

Members of the Committee, good morning, my name is Candace Head-Dylla. I live in Murray Acres, a residential area less than a mile southwest of the Homestake Uranium Mill and tailings disposal area in Milan, New Mexico. I'm here today on behalf of the Multicultural Alliance for a Safe Environment (or MASE), of which my community group, the Bluewater Valley Downstream Alliance, is a core group member. I bring to you today the perspective of a resident of a community that has suffered economically, environmentally, and emotionally from the uranium industry's inability to clean up the messes they left behind. I bear witness to the government's unwillingness to hold this industry accountable for its harmful actions.

There has been a great deal of discussion lately about how uranium mining could revitalize New Mexico's economy and bring tax dollars and jobs to the state. The problem is that some very lucrative industries come with unintended and long-term consequences that are simply not worth the short-term gains to the economy. As legislators, it's really your job to educate the public and protect the state from these kinds of bad decisions. As leaders, it's up to you to avoid being distracted by the false promises of Big Money; it's up to you to examine critically the assumptions underlying industry's predictions of largesse, and to develop and enact policies that provide *lasting and sustainable* development for New Mexico.

I hope to provide you with some evidence from my community's experiences with uranium mining that will suggest that just making money is one thing but making money in a way that creates a future New Mexico can be proud to pass on to its children and grandchildren is another matter altogether. I will also ask some questions that really need to be answered before we talk any more about uranium mining or allow our regulatory agencies to even consider issuing permits for further exploration or development.

Before we begin this discussion, let's just acknowledge the three biggest elephants in the room. Elephant number one: uranium is mined for a purpose. If we are going to engage in uranium mining, we have to be reconciled to that purpose. Who in this room wants to live downwind of a nuclear reactor?

Elephant number two: the fact that massive amounts of fossil fuels that emit tons of carbon are burned to generate the tremendous amounts of electricity that are needed to extract uranium from the earth, to convert it to a gas, to power the gas centrifuges that separate the fissile isotope of uranium needed to sustain a chain reaction in a reactor, to reconvert the gas back to a solid, to machine the solid into pellets to fit into fuel rods, and to transport the rods to the reactor sites. Indeed, the nuclear fuel cycle is NOT carbon-free as industry witnesses have asserted.

Elephant number three: there are highly radioactive and dangerous waste products from nuclear power generation that will last for thousands of years, with what consequences to future generations?

And then, of course, is the contamination that comes with mining. The legacy of past uranium mining is at the heart of the adverse economic impacts that you must understand and take into account as you think about the prospects of new uranium mining in New Mexico.

1. We've been down this road before, and we have a legacy of contamination to show for it.

a. Invaluable but polluted water supplies. We need to know exactly how much groundwater has been contaminated by uranium operations in New Mexico. Groundwater has an important and potentially enormous economic value for an arid state like ours. We have already allowed a number of uranium companies to make huge profits and leave our state contaminated. Some of these companies (Phillips, Kerr McGee, Gulf/Chevron, ARCO, Sohio) are now making Big Oil profits, but we still have not required them to use those profits to help clean up the mess they left in New Mexico.

b. Reclamation jobs. There is enough uranium mining contamination in New Mexico to create an economic boon to the state by simply becoming serious about clean-up efforts and requiring the responsible uranium companies to fund this effort. As the chart from the Mining and Minerals Division shows, reclamation jobs have accounted for much of the employment in the uranium industry since the early 1990s.

c. Federal accountability. To really gain economically from reclamation, remediation and pollution control, at least in the near future, all of us — especially the Legislature — must begin to hold the Federal Government accountable for its role in facilitating uranium development during the nuclear weapons era (1949-1971) and the "modern era" of mining (1972-1990). This means that the Department of Energy must become a player in addressing mines developed exclusively for sale of uranium ore to the Atomic Energy Commission. And the

Nuclear Regulatory Commission (NRC) must stop relaxing groundwater remediation standards to give the illusion that groundwater at uranium tailings piles is being cleaned up, when, after 25 years, it is not.

2. There's nothing sustainable about uranium mining. Unlike renewable energy sources, such as wind and solar, the uranium mines in our area have life expectancies of 20 to 30 years. That means one generation might benefit and then it's back to the drawing board.

3. Market and technology volatility. That volatility is evident right now in the fluctuations in price and the fact there have been only two new mine permit requests this year.

4. Prices are important. In 1980, my father did a feasibility study for a \$124 million mine/mill complex in Crownpoint. At that point, gasoline was \$0.60 per gallon and diesel \$0.50/gal. In that market, the plan required uranium to be at \$35 per pound to make a profit. Gas is now about \$3.80/gal and diesel \$4.45/gal. If 6 to 8 times more

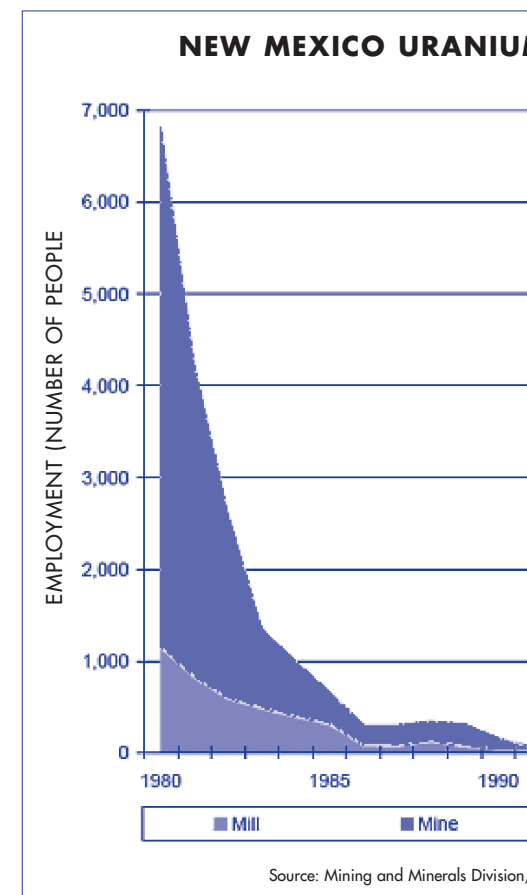


Former uranium miner Milton Head (father of Candace Head-Dylla) discusses groundwater contamination from past uranium mining.

money is needed for some of the major costs of operation, it will take a considerably higher price to produce the same profit.

What is really happening right now is that industry is attempting to get our lawmakers, as well as ordinary citizens, hyped about the prospect of big money and high-paying jobs. If ordinary citizens and lawmakers get excited enough, then industry can pressure regulators for relaxed standards and can pressure our lawmakers for economic concessions.

5. Capital costs are staggering. Here's another perspective. Uranium Resources, Inc. (URI), a company that claims to want to mine uranium in New Mexico, told reporters on a tour of the Ambrosia Lake operation last year that their feasibility study yielded a cost of between \$750 million and \$1 billion to build a mine and 8,000 ton-per-day mill at today's costs. URI said at the time that upper end of the cost of such conventional production would be about \$75 per pound. Setting aside, for a second, whether URI can build a conventional mine-mill complex for less than \$100/lb, the fact is URI could not obtain \$180 million in financing just to buy the Rio Algom Ambrosia Lake property, let alone to



Communities Demand Change

Legislature's Economic & Rural Development Committee



Part of the Homestake Uranium Mine in Milan, New Mexico.

build a new mill, even with backing of the Japanese meganational, Itochu Corporation. URI announced in June it was backing out of the deal.

6. Mining projections are unfounded. The industry projections are based on revenues and taxes generated from the construction and operation of an unspecified number of new mines and new mills. No new mines or mills will be constructed this year or in 2009 because the permitting processes do not go that fast, and financing of these expensive projects is not guaranteed.

7. And it gets even worse. In the 1940s-1970s, there was a large workforce of trained miners. However, few underground mines are in operation in the U.S. today and experienced miners are not readily available. To maintain a workforce in the U.S., wages will need to be high to attract workers to what is clearly a dangerous and hazardous job. This increases costs. The other option is to hire "guest" workers — which may mean taxes, but certainly does not equate to more and better jobs for New Mexicans.

8. Resources lost. In our community, from the Milan Village limits to the Anaconda millsite at Bluewater to the Ambrosia Lake area, the water beneath at least 60 sections of land — or 38,400 acres — has been polluted. In some areas, this involves up to five different aquifers. We estimate the total volume of water destroyed to be in excess of 883,200

acre-feet of water, plus 50 years of recharge of 320,000 acre-feet, for a total water contaminated of over a million acre-feet (1,203,200 acre-feet) of precious water that is now unusable for human consumption and agricultural uses. At \$1,000 per acre foot, this is a loss to New Mexico citizens and local landowners of \$1,203,200,000 — yes, that's 1.2 billion-with-a-"B" dollars! Sadly, this is only a small portion of the waters destroyed in the state by uranium mining and milling operations.

9. More resources lost. We are conducting a property value survey in our community. Though it is not yet complete, we estimate the collective value of our homes and properties ranges between \$30 million and \$40 million. Unfortunately, our property values have plummeted since the local press reported findings from a recent federal agency assessment that said that Homestake's uranium tailings posed a "public health hazard" (Agency for Toxic Substances and Disease Registry Report). Since

realtors and sellers must disclose this finding, as well as information about the contamination from the Homestake mill site, to potential buyers, few people are willing to risk their health, even for bargain basement prices.

10. And we're not the only community affected economically. There's still Pagate, Laguna, Acoma, Crownpoint, Churchrock, Cebolleta, and Marquez that have their own stories to tell. That's why many of our grassroots groups and communities formed MASE. As the name implies, we are diverse culturally and ethnically, but we share the adverse impacts of past uranium mining and processing and a common vision of a sustainable and just future built around the wise and careful use of renewable resources.

11. Few gains from the past boom. If you look around Cibola County, there is little to show for the last big uranium boom. From the millions of dollars of profit the mines made for companies long since departed, we have the massive contamination legacy, an Elk's Lodge, a swimming pool, an almost defunct golf course, one nice housing subdivision where management could build nice homes, and a few other low-income houses. Our new school and our new hospital were built with local and state funds — after the uranium bust.

12. Opportunities lost. Before the uranium industry moved in, Bluewater Valley was a thriving farming community, known for its carrots and other vegetables with easy shipping access via the nearby railroad. The mines bought the land and the water rights and this industry was exterminated. We could revive it, but not without clean water — which, as I said earlier, we also lost.

13. And it will disappear again. Uranium mining is a temporary fix to a long-term economic problem. If we want to be forward-thinking, we need to avoid this tempting offer. Just like we tell our kids to "say no to drugs" because over the long-term they only lead to trouble, we may want to say no to uranium mining in favor of sustainable economic solutions.

To address these issues, here are four things you could do in the next legislative session:

1. Fund a regional hydrologic study involving the State Engineer's Office, the Environment Department, and state universities to map the aquifers in areas impacted by uranium discharges and determine the amount and extent of contamination, the value of these resources, and estimates of the costs of remediation.

2. Fund a qualified, third-party economic research organization to study the state's potential for an economy built around sustainable use of resources and renewable energy applications, with a focus on rural economic development. New Mexico has the second-most concentrated solar power potential in the Southwest — the equivalent of 500 nuclear plants the size of the Palo Verde Generating Station. As a first step, fund a renewable-action roundtable and summit.

3. Fund health studies that are so desperately needed in our communities, especially among people who lived in uranium-impacted areas. The University of New Mexico and the Department of Health have expertise and experience in conducting health studies.

4. Enact a resolution asking Congress to hold hearings and pass legislation to determine the Federal Government's share of the costs of addressing the uranium legacy in New Mexico and other Western states. This is not just our problem, but a national problem that needs national attention.

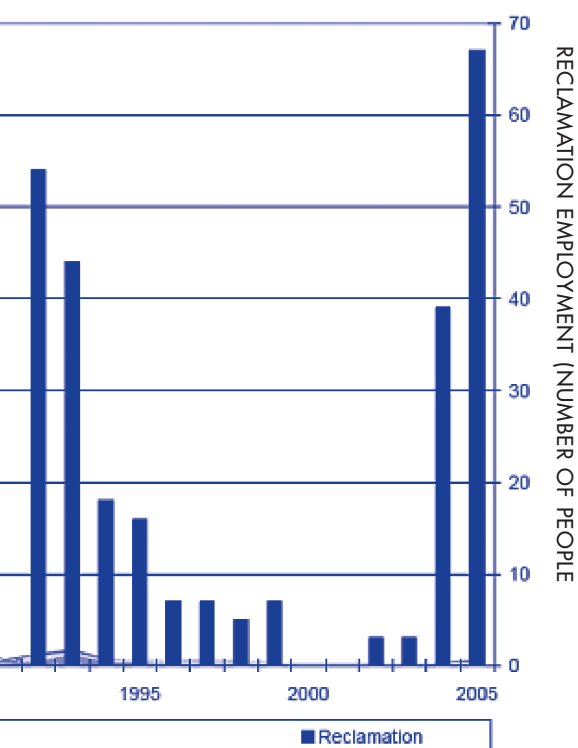
In closing I call your attention to a fact sheet (see page 3) we prepared that addresses the industry's economic claims in detail, and also includes data on the costs of uranium mining and milling to the environment and to worker and public health. Please do not let the industry's fairy tales divert you from the critical tasks of addressing the uranium legacy and taking the first steps toward a truly sustainable economic future for our children. ✈

Candace Head-Dylla represents the Bluewater Valley Downstream Alliance and is a member of the Multicultural Alliance for a Safe Environment. She testified on August 7, 2008.



Milton Head (far left) talks to students from Colorado College about ground water pollution from mining at the Homestake Uranium Mine.

RECLAMATION EMPLOYMENT, 1980-2006



Energy, Minerals & Natural Resources Department