

Heavy Metal

Uranium mine would bring jobs, at what cost?

It's a classic conundrum. Billy Bell, the tribal chairman of the Fort McDermitt Paiute and Shoshone Tribe, calls it "the two-headed beast." A proposed uranium mine about 10 miles from the Fort McDermitt Reservation, if it is actually feasible, could offer jobs and a needed economic jolt to the tribe and nearby community, but it also has the potential to contaminate the land, air and water with heavy metals and radiation and damage Native American cultural areas.

Bell says that the reservation, just over the border from Oregon in Nevada, is in a remote area and "we have the social impacts of a low economic community." Like the inner city, he says, dropout rates are high, as is joblessness and drug and alcohol use.

Bell says that the tribe is interested in the jobs potential but is leaving the negotiating table open. He says, "We are about 85 percent dependent on federal resources in funding. And the uncertainties of how Congress is handling budget cutbacks and shortfalls means we have to look at other avenues of economic development to sustain the tribe into the future."

He says, "Just generally, I guess, and I don't want to speak for any group, some community folks are pretty excited about something different coming to the area." But Bell says the tribe must also consider that risks to the community's physical and cultural health could also be high, as has been the case with past uranium mines on or near tribal land.

Lachlan Reynolds is the managing director of Australian Energy Ventures and president of its subsidiary, Oregon Energy, which owns the rights to the proposed mine known as the Aurora deposit. He says if the mine goes through, "the operation would support 150 full-time jobs." Reynolds says in mining a rule-of-thumb is to "multiply by three in terms of indirectly related jobs," resulting in a "fairly significant number of both skilled and unskilled jobs." He expects the mine's life to be about eight to 12 years and says the open-pit mine, the process facility on site and tailings facility will be constructed to the highest state and federal standards.

"Oftentimes we hear about the economic benefits of mining," says Liz Nysson of the Oregon Natural Desert Association, which has begun looking into the proposed mine. But she says, "That argument goes moot when considering the enormous burden that could fall on taxpayers."

There is only one currently operating conventional uranium mill in the U.S., the White Mesa Mill near Blanding, Utah, according to Chris Shuey of the Southwest Research and Information Center, a group that provides information to the public on energy development and resource exploitation.

Shuey says, "It's not likely that an open-pit mine, along with its surface facilities, could be operated profitably at today's uranium spot market prices, or even at prices that are typically higher for long-term supply contracts."

According to Shuey and SRIC, the initial questions about proposed mines like this are "not really about the potential environmental and public health impacts, as important as those concerns are." He says, "The first questions are about the economic feasibility of a new mine and mill complex in a depressed uranium market," and more questions revolve around the "viability of small uranium companies that form out of bigger companies or companies that have failed, which raise enough money to buy minerals data from previous exploration operations, put together a board of directors of re-treaded mining company executives and throw together impressing-looking websites." Paul Robinson of SRIC calls this "mining investors," not uranium.

Reynolds says Oregon Energy is prepared to spend \$200 million to establish and input \$150 million on an annual basis into the mine.

Robinson says that Oregon Energy's most recent press release updating its exploration drilling at the Aurora deposit indicates a low uranium content. This low value, Robinson says, might be why the previous owner of the mining rights to the Aurora deposit, Uranium One, decided to sell the property without mining it. Uranium One is controlled by the Russian Atomic Ministry ROSATOM through its uranium-mining subsidiary ARMZ, which attained majority ownership by selling Uranium One shares in uranium mines in Kazakhstan, Robinson says.

On Oct. 10, the Australian government approved the environmental impact statement for the massive expansion of the Olympic Dam uranium and copper mine in that country. Analysts predict that the mine's expansion could flood the market and drive uranium prices even lower than their already low post-Fukushima disaster levels. According to his online resume, Reynolds was a senior exploration geologist for the Olympic Dam mine.

Before the mine ever comes into being, Shuey says, there is a long permitting process, which includes opportunities for public input through the BLM, which oversees the land the mine would be on, the Department of Geology and Mineral Industries and the Nuclear Regulatory Commission. The process could take five to 10 years.

But Bell and the Fort McDermitt Paiute and Shoshone Tribe need to make decisions now based on the possibility of Oregon Energy going ahead with its plan to turn 3,000 acres of federal land into the site of a gaping open-pit mine.

"It's going to be a blight on the land, and impact ground and surface waters," says Sarah Fields of Uranium Watch,

which works on the environmental impacts associated with current and historical uranium milling in Utah.

Bell says in addition to financial impacts, the tribe is weighing the cultural and environmental impacts the uranium mine could have. For example the Cold War-era Midnite Mine and its mill in Washington state, adjacent to the Spokane Indian Reservation, left behind 33 million tons of radioactive rock and ore and led the Agency for Toxic Substances and Disease Registry to caution tribal members there against eating wild game, fish or plants gathered from the drainage where the groundwater is contaminated with heavy metals and radionuclides.

That mine closed in 1981, and last week the federal government reached a \$193 million settlement with Newmont Mining and its subsidiary for the clean-up.

Reynolds told both *EW* and Bell that the Oregon mine would use newer techniques to curtail the contamination of the past but was unable to give specifics, saying it was too early in the process.

"This is not their first rodeo," Bell says. "They are just not saying it because by law they don't have to."

"There's never enough monitoring of the actual impacts," says Fields. "These companies are in it to make money and one way to do it is by ignoring regulations." She says a state like Oregon, with very little history of uranium mining and its impacts — the exception being the Lucky Lass and White King Superfund sites near Lakeview — needs public involvement. She says, "Even if you think you are for this mine, look over the shoulders of regulators."

According to Fields, dust from the site, possibly contaminated with arsenic or radioactive materials "blowing offsite and eaten, consumed, breathed in by grazing animals, the native fauna or human beings," has been a concern for those near uranium mining in Utah and could be an issue in Oregon.

Bell says the health effects on tribal members who might work in the mine are a concern, as is whether dust, traffic and transmission lines from the mine would have an effect on wildlife traditionally hunted by the tribe.

In addition to economics, health and the environment, the uranium mine could have cultural impacts to the tribe. "It's secluded from the general public enough right now, but what kind of traffic is it going to bring into the area, and is it going to disrupt the sacred sites?" Bell asks.

"Agriculture and mining has always been an integral employment source for the community," Bell says, and Oregon Energy has said it wants to be a "partner" in the community. "Sometimes our interests in the tribe conflict," Bell says. "How do we balance that?" **EW**

Part of an *EW* series on mining in Oregon.

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