Talk of a "$67 billion bonanza" from new uranium mining in New Mexico grossly overstates both the extent of potential uranium production in the state and the value of any uranium that might be produced. Such "boom talk," which has been fostered by the uranium industry over the past year, distracts decision makers from two fundamental issues that are crucial for communities where uranium mining has taken place and is currently proposed:

- The urgency of addressing the pervasive health and environmental impacts of past uranium mining and milling.
- Identifying environmentally safe and sustainable economic development alternatives.

A uranium boom of any magnitude — whether of $67 billion, or $36 billion — is unlikely in New Mexico any time soon because:

- Uranium spot-market prices have dropped precipitously since they hit a record high of $316 per pound in the summer of 2007. Spot market prices this summer have ranged from $57 to $65 per pound.
- The market price of uranium falls, so does the amount of potentially recoverable uranium. According to both federal and state estimates, New Mexico has about 340 million pounds of uranium resources, if the market price is around $50 per pound, and considerably less if the price is less than $50 per pound.
- The amount of recoverable uranium in New Mexico would be reduced by at least 150 million pounds if the Navajo Nation enforces its statutory ban on uranium mining and uranium processing in “Navajo Indian Country.”

- The real "value" of New Mexico’s uranium resources is only what utilities will pay for nuclear fuel, and New Mexico’s resources compete poorly — they are low-grade and high-cost — for uranium. In fact, the World Nuclear Association reports that enough uranium can be produced at existing production sites for 100 years at current usage rates.
- No uranium production (i.e., milling) capacity exists in New Mexico at this time. Only one proposed uranium recovery project — Hydro Resources, Inc.’s Crowpoint Solution Mining Project — has a federal license, and that license is tied up in litigation in federal appeals court. The HRI project also lacks federal, tribal or state underground injection control permits. Any new conventional mill or in situ leach (ISL) project would likely need five to 10 years to complete the application process, licensing and construction.

The industry’s grossly exaggerated claims of a coming uranium boom are betrayed by its own behavior: exploration permit applications are down from 12 in 2007, to three this year. No company has filed a mining application with the state or a new or ISL license application with the U.S. Nuclear Regulatory Commission (NRC).

- Uranium Resources, Inc. (URI), HRI’s parent company, recently announced that it was backing out of a deal to buy the site and license of the Rio Algom LLC Ambrosia Lake uranium mill because it could not raise $180 million in financing, even with the backing of one of the world’s largest companies, Itochu Corp. As shown in the chart below the life cycle of a mine, enormous up-front construction costs are incurred before revenues from mineral production start flowing.

- The economies of Grants and Gallup have diversified since the collapse of the uranium industry in the early 1980s, creating more than 17,000 new jobs to replace the 6,400 lost in the uranium sector. Tourism, recreation, gaming and construction account for many of these new jobs, and are contingent on a clean, healthy environment.

Even in the unlikely event of a new uranium mining boom, the environmental and social costs would prove significant. If uranium development occurs at the pace predicted by industry last year, another 175 million tons of radioactive mill tailings would be created, nearly doubling the volume of 90 million to 100 million tons now present at seven abandoned mills.

Enormous costs have already been incurred, or are expected, from previous mining and milling.

- Nearly $1.5 billion in federal funds were spent nationally through 1999 to reclaim 24 “inactive” or abandoned uranium mills and tailings facilities that produced uranium for the federal government’s nuclear weapons program through 1970. In total, the program spent over the past decade on the cleanup of abandoned uranium mines such as the Mesa Top Mine/Ambrosia Lake (left) and the Floyd Collins Mine (right) continues to be of concern to New Mexicans.

The cleanup of abandoned uranium mines such as the Mesa Top Mine/Ambrosia Lake (left) and the Floyd Collins Mine (right) continues to be of concern to New Mexicans.

- The New Mexico Bureau of Geology identified about 100 million pounds of uranium in the Navajo Nation alone, made up of millions of pounds of uranium tailings.

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- The amount of recoverable uranium in New Mexico would be reduced by at least 150 million pounds if the Navajo Nation enforces its statutory ban on uranium mining and uranium processing.

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The tax revenue generated by the industry between 1965 and 1995 — about $100 million — pales in comparison with both the uranium revenues accrued by industry — about $3 billion — during the same period, and the liability left to taxpayers in public health costs and natural resource damages. An accounting of these costs is needed to understand the full economic impact of the previous uranium "boom."