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DANVILLE VIRGINIA

Conventional uranium mill makes headway in Colorado

By TARA BOZICK

On Wednesday, Colorado approved a radioactive materials license that could lead to the construction of the first U.S. conventional uranium mill in 30 years.

The story of Toronto-based Energy Fuels Inc.'s proposed Piñon Ridge uranium and vanadium mill in Southwest Colorado might strike a chord with residents in the Dan River Region and Virginia – a state studying whether to allow uranium mining and milling now that Chatham-based Virginia Uranium Inc. would like to tap one of the world's largest undeveloped uranium deposits in Pittsylvania County.

Local support for the Piñon Ridge Mill in the Paradox Valley was strong as Energy Fuels touted jobs in an economically depressed area with a long history in the uranium industry. Montrose County, Colo., officials applauded the license approval from the Colorado Department of Public Health and Environment.

The decision dismayed regional environmental groups that kept in mind the continued cleanup of contamination from past uranium mills in Colorado and said the proposed mill would harm regional air and water.

The decision and related documents in the 14-month-long, back-and-forth review process is available on the Colorado health department website.

Patrick Wales, VUI project manager, said the website information could be helpful for Dan River Region residents who have questions about what current uranium recovery looks like and how the industry is regulated.

Wales lauded the transparency of the process and said Colorado raised the bar with its strict licensing. Colorado is an agreement state with the Nuclear Regulatory Commission to regulate uranium mills.

"This is a very sensitive issue for people both opposed and in favor of the mill and we wanted to ensure that people had an opportunity to express their concerns and information that we need," said Warren Smith, community involvement manager with the Colorado health department.

The department participated in eight public meetings, considered hundreds of comments from stakeholders and submitted more than 400 technical questions to Energy Fuels. In its decision analysis, the department addressed the state's toxic legacy of uranium mills, with many dating back 60 years when regulation was minimal and designs were weak.

"Because this is the first new conventional mill to be built in the United States in decades, we have had the opportunity to incorporate some of the lessons learned from the legacy issues from conventional milling in the past," Smith said.

The mill is designed more like a chemical plant with emissions minimized or eliminated where possible, using both computer and manual control and multi-level systems to keep releases contained to the site, Smith said.

"Our job in many ways is just starting also," he said. "This will probably be the most highly regulated facility in the state."

Sheep Mountain Alliance, a grassroots environmental protection group in Southwest Colorado, will continue fighting the mill, said Director Hilary White. The alliance hired independent scientists and an economics professor to assess the mill's socioeconomic impacts, but the state didn't consider that analysis, she said.

The alliance found deficiencies in the catastrophic event planning and posed many questions that went unanswered, White said.

"You look at Colorado's history and it's a

mess," she added.

It's hard to take the state's word for it that the mill would protect the environment, she said. From the beginning, the alliance searched for a mill where a liner hadn't leaked and couldn't find an example.

"Is there any such thing? Is man capable of completely 100 percent containing man-made waste products for thousands of years into the future?" White asked. "We haven't seen it yet."

Cale Jaffe, senior attorney with the Southern Environmental Law Center in Charlottesville, added that these uranium projects aren't arising from advances in technology, but from a change in the price of uranium.

The only operating U.S. uranium mill is the White Mesa Mill in southeastern Utah.

Energy Fuels would require other permits to operate but this license was the big hurdle, said Gary Steele, vice president of corporate marketing for Energy Fuels Resources Corp. Residents in the West End of Montrose County overwhelmingly supported the Piñon Ridge project with its creation of 85 direct jobs and 230 jobs in supporting industry, he added.

The project looks to secure financing, including in Asia, he confirmed.

VUI may visit the Piñon Ridge Mill site when it's constructed, Wales said, adding the company would search for the best technology in the world for its mill, he added.

"Virginia Uranium is certainly encouraged by the movement forward with the uranium recovery industry in Colorado," Wales said. "We welcome the lessons learned from that and hope they can be applied in Virginia."

For more information, visit www.cdph.state.co.us/hm/rad/rml/energyfuels/index.htm.