

# ACERT

## American Clean Energy Resources Trust

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October 26, 2009

Grand Canyon Mining Withdrawal Project  
ATTN: Scott Florence, District Manager  
Bureau of Land Management  
Arizona Strip District Office  
345 East Riverside Drive  
St. George, UT 84790-6714

RE: Notice of Intent to Prepare an EIS for Proposed Withdrawal in the Vicinity of the Grand Canyon, AZ

Dear Mr. Florence:

ACERT (American Clean Energy Resources Trust) appreciates the opportunity to comment on the Secretary of Interior's proposed withdrawal of approximately one million acres in northern Arizona from location and entry under the 1972 Mining Law. The overt purpose for this withdrawal, as stated in the Federal Register Notice, is *"to protect the Grand Canyon watershed from adverse effects of locatable hardrock mineral exploration and mining."*

ACERT is strongly opposed to the withdrawal for many reasons, including the fact that there is a complex network of federal and state agency regulations and legislation in place that already provides this eagerly sought-after protection.

ACERT is a coalition of uranium exploration and mining companies, and associated individuals, who believe it is important to maintain a viable mining industry for the economic health of northern Arizona, southern Utah and the U.S. It is our mission to educate and inform our elected officials, and the general public, about the benefits of nuclear power and the need for economical uranium mining. We are also working at a grassroots level to help residents of the communities in this region stand up for their quality of life and to protect the lands they treasure. For many of these people, the beauty of this land is the reason they chose to live in this area! For a majority of these states' residents, mining and good stewardship of these lands are NOT incompatible. Please refer to the attached resolutions from the Arizona State legislature, the National Association of Counties, Mohave County, Arizona and Kane County, Utah, expressing their support for uranium mining in northern Arizona. Also, Congressional lawmakers from Arizona and Utah have written letters stating their support (see the McCain/Kyl letter to Rep. Grijalva and the Hatch/DeConcini letter to Sec. Salazar).

The Grand Canyon is unquestionably one of the most awe-inspiring sites in the world, and needs to be protected. In fact, it is protected. The 1.2 million acres of federal land included in the National Park are already protected – no exploration or mining activity is permitted within its boundaries or within additional 6.8 million acres of national parks, recreation areas, monuments

and national forests in the immediate area. As for the Public Lands that are open to mining activity, numerous trade organizations and government agencies, such as the National Mining Association and the Northwest Mining Association, as well as the BLM, USFS, EPA and DOI have thoroughly documented the myriad permitting requirements, legislation and regulations that operators must follow.

Additionally, much of the land in question has already undergone evaluation and decision for withdrawal. The Arizona Strip Wilderness Act of 1983, which was overwhelmingly passed by Congress as part of the state-wide Arizona Wilderness Act of 1984, was crafted precisely to assure multiple use of much of the acreage being targeted by the DOI's current proposal. Notably, the precedent-setting 1984 legislation was actually drafted by a long list of bi-partisan lawmakers, including Mo Udall, Barry Goldwater, Bob Stump, Dennis DeConcini, Jake Garn, Orrin Hatch, and John McCain.

A firestorm of controversy has been created by the opponents of uranium mining. While their transparent arguments are effective fund-raising techniques for special interest "non-profits" who actively influence members of Congress, they bear little resemblance to the real science and historical track record of uranium mining in northern Arizona.

## **Environmental Impact**

The allegations that breccia pipe exploration and mining in northern Arizona would cause environmental degradation to the area conveniently overlook over 30 years of exploration and mining history in the area since the 1970's. First, the fear that uranium mining is impacting the water quality of the Colorado River is purely emotional and scientifically dubious. According to 30 years of monitoring results by the USGS and BLM, there has not been a single known incident of uranium mining-caused contamination in the area. Critics of the mining industry often point to the abandoned Orphan Mine -- mined from 1953 to 1969 and located inside the Park -- and cite a single non-peer-reviewed report from 1995 by a UNLV professor who detected unsafe uranium levels in Horn Creek near the Mine during periods of high flows and heavy rainwater runoff. However, a comprehensive water study of the Grand Canyon by the USGS (published in 2004) could not verify or replicate the 1995 findings, even after two straight years of monitoring Horn Creek (2000-2001).

Furthermore, preliminary findings of a University of Arizona study (expected to be released late 2009) show that uranium mining and milling near the Colorado River have not led to contamination in the River and that the uranium in the River is naturally occurring, proof that mining activity does not harm the water quality for drinking water and agricultural uses (see attached article, *Study May Hamper Fears Over Uranium Mines' Effect on CO River*, EWG). Finally, a 1999 report by the National Academy of Sciences concluded that existing environmental laws are effective at protecting water supplies from mining-related pollution, and in the 10 years since that report, additional protections have been put in place by Congress.

According to the 2008 BLM Resource Management Plan (RMP), the extent of mining on the Arizona Strip isn't expected to increase significantly despite the fluctuation in the price of uranium ore. The mining method used in northern Arizona is entirely underground. Area mines have a small footprint -- about 20 acres -- and last for a period of 5 to 8 years. Ore extraction occurs 1,000 feet above the Redwall-Muav aquifer, making contamination of that system

statistically impossible. There is no on-site ore processing or mine tailings. The ore is simply extracted and then transported safely by truck 300 miles to Utah for processing. The Grand

Canyon viewshed is not impacted as the nearest mine (active in the 1980's but placed on standby since the 1990's) is about 5 miles from the Park boundary. Reclamation involves a simple process of backfilling the shaft with fill material followed by re-contouring and re-vegetation of the surface. Today, those reclaimed sites are difficult to differentiate from the surrounding terrain.

## **Economic Impact**

Opponents of uranium mining maintain that the withdrawal of approximately one million acres of land containing the potential of more than 40% of the nation's richest uranium deposits would have negligible effect on the economy, local or otherwise. PLEASE. Obviously, many have a hard time understanding the importance of good jobs and a stable industry to regional economies.

As for the direct economic impact to the area, an economic analysis of the northern Arizona uranium district has recently been completed by TetraTech, Inc., an international environmental consulting firm (see attached study *Economic Impact of Uranium Mining on Coconino & Mohave Counties, Arizona*). The following list summarizes some of the economic benefits that mining could bring to this region in the next several years:

- 1,078 new jobs in the project area
- \$2 billion in federal and state corporate income taxes
- \$9.5 million in claims payments and fees to local governments
- Increased property taxes for local governments
- Increased business for regional and national mining support vendors
- Increased state and local sales taxes
- \$168 million in state severance taxes
- \$1.6 billion to trucking firms transporting ore

Additionally, while "existing valid claims" are said to be exempt from the withdrawal decree, it applies to a very limited number of claims that have first been explored and later verified to be commercially developable. There are about 9,000 mining claims in the segregated area, but only about ten claims have documented discoveries, a criteria for validation. BLM and Forest Service will conduct the validity studies. The number of documented discoveries is low because exploration was shut down in January 2009 due to the political uncertainty surrounding the mineral rights. Furthermore, under the General Mining Law of 1872, claimants must pay an annual fee of about \$140 per claim in order to maintain that claim. Under the threat of the withdrawal, many mining companies cannot justify making investments to maintain these claims.

## **Mining History**

The above economic figures are further backed up by the actual production records of one of the mining companies that operated in the area 20 years ago. Between 1980 and 1990, Energy Fuels Nuclear Inc. (Energy Fuels), a private Denver, Colorado-based company, produced in excess of 19 million pounds of uranium from seven mines, while disturbing only 75 surface acres. One mine alone produced 5.7 million pounds of uranium, which is enough to provide electricity for a city the size of Phoenix for 20 years.

Additionally, these unique uranium orebodies in the Arizona Strip have the highest grade ore in the U.S. averaging 0.65% uranium oxide (U<sub>3</sub>O<sub>8</sub>) -- generally about three times higher than uranium deposits elsewhere in the country.

With exploration and mining offices located near the Arizona/Utah state line, the Energy Fuels operations created approximately 200 jobs in the communities of Kanab, Utah and Fredonia, Arizona. The staff included miners, electricians, maintenance workers, truck drivers, geologists, management and administration.

Table 1 calculates an approximate direct impact total of \$412 million that Energy Fuels operations had on Kanab and Fredonia economies during the 1980s. The table also gives an estimate of what this impact would be in Consumer Price Index (CPI) inflation adjusted dollars for a similar investment in 2008 dollars.

**Table 1**  
**Estimate of EFNI's Direct Economic Impact on the Kanab/Fredonia Area**  
**Producing 19 million lbs of U3O8 (uranium yellowcake)**

	1989 actual	1990 actual	1977-1990 actual	Estimated Average/Yr. Total (1977-1990) \$ million	Estimated Total (1977-1990) \$ million	Est. 2008 CPI Inflation adj. \$ million
WAGES (1989)*	\$5,051,715			\$7.58	\$75.78	\$123.61
TAXES (FICA, FED. INCOME, STATE)*	\$1,105,009			\$1.66	\$16.58	\$27.04
EMPLOYEE BENEFITS*	\$1,539,181			\$2.31	\$23.09	\$37.66
SEVERANCE TAXES				\$0.20	\$2.00	\$3.26
PROPERTY TAXES				\$0.20	\$2.00	\$3.26
EXPLORATION ACQUISITION			\$31,847,682	\$2.45	\$24.50	\$39.96
EXPLORATION ACTIVITIES			\$51,884,407	\$3.99	\$39.91	\$65.11
OPERATIONS *		\$15,200,000		\$22.80	\$228.00	\$371.94
<b>Totals</b>				<b>\$41.18</b>	<b>\$411.85</b>	<b>\$671.86</b>

\* Payroll and operations budgets were approximately 2 times the 1989 and 1990 levels for 5 years out of the 10 years that mining was in operation.

## Summary

While the U.S. is currently importing 90% of the fuel for the 104 active nuclear power plants in the country, the uranium resources in northern Arizona could represent a significant contribution to U.S. energy independence.

It is notable that the USGS estimates that northern Arizona contains at least 375 million pounds of the highest grade uranium ore in the United States. This is the equivalent of 27 billion kilowatt hours of electricity, which could replace all the power generated by coal plants in the United States for 10 years. This is also the equivalent of 13.3 billion barrels of oil, which is the total amount of recoverable oil in Prudhoe Bay. For comparison, one pound of uranium oxide, known as "yellowcake" (U<sub>3</sub>O<sub>8</sub>), is equivalent to 35.6 barrels of crude oil (a barrel of oil is approximately 42 gallons).

And finally, while the debate still rages around global warming, uranium provides fuel for the one non carbon source of base load electrical generation.

During this time of economic crises, this region can ill-afford to lose the high paying jobs and tax revenue that the uranium industry could provide.

Respectfully submitted,

**ACERT**

American Clean Energy Resources Trust

Pamela C. Hill  
Executive Director

Attachments:

1. Resolutions from Arizona State Legislature, National Assoc. of Counties, Mohave County, Arizona and Kane County, Utah.
2. Sens. McCain and Kyl letter to Rep. Grijalva
3. Sens. Hatch and Deconcini letter to Sec. Salazar
4. *Study May Hamper Fears Over Uranium Mines' Effect on CO River*, Environmental Working Group, 2/23/09
5. *Economic Impact of Uranium Mining on Coconino & Mohave Counties, Arizona*, TetraTech, September 2009