

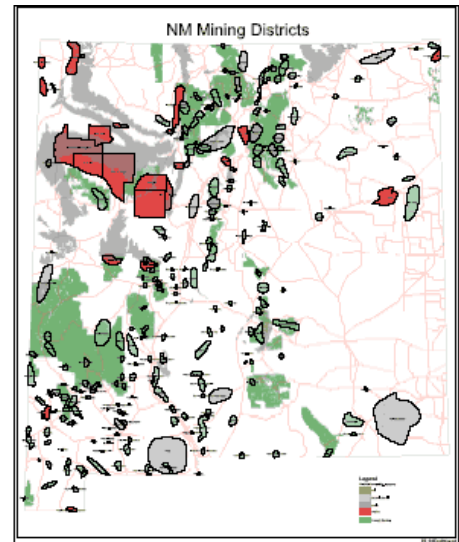
FOR IMMEDIATE RELEASE

Tuesday, October 28, 2008

COST ANALYSIS OF URANIUM MINING IN NEW MEXICO SHOWS NO ECONOMIC BOON

SANTA FE, N.M. — As a result of a substantial increase in uranium prices between 2004 and 2008, uranium mining companies have shown increasing interest in New Mexico's uranium reserves. Now these companies and other business interests are promoting renewed uranium mining as a multi-billion dollar economic bonanza for New Mexico and the Grants area.

In a response to the industry's exaggerated claims, the New Mexico Environmental Law Center commissioned Dr. Thomas M. Power, a preeminent natural resource economist, to evaluate the true economic impacts of uranium mining in New Mexico. The result is the only independently reviewed analysis of the subject in New Mexico entitled *An Economic Evaluation of a Renewed Uranium Mining Boom in New Mexico*.



The report carefully evaluates and challenges the uranium mining industry's claims. It also explores the boom and bust cycles of metal mining and illustrates how New Mexico and the Grants area adjusted after the uranium mining bust of the 1980s. The report offers a conservative estimate of the upper end of the potential impact of a new uranium mining on employment, payroll, and state and local government revenues and considers the environmental and social costs that are not included in industry studies.

Some of the conclusions in the report are:

- The primary economic driver in the McKinley and Cibola County area and in much of New Mexico is the natural environment. The natural environment provides amenities that attract and keep economic development in New Mexico and by risking widespread environmental contamination from renewed uranium mining; New Mexico may actually damage its economic foundation.
- The \$30 billion that industry claims would come to the state in a new round of uranium mining is a gross exaggeration based on a number of unrealistic and unsupported assumptions.
- Important environmental and social costs must be considered when evaluating the commercial economic benefits of renewed uranium mining. Substantial natural resources, such as groundwater, have been irreparably contaminated by uranium mining and therefore cannot be

considered as a resource to support future economic growth in the area. New Mexico and local communities will need to consider how mine and mill waste will be addressed.

“Dr. Power’s study confirms what many of us who’ve moved to New Mexico already know – that New Mexico’s natural beauty, clean air and water, and diverse environment make New Mexico a great place to live and work,” says Staff Attorney Eric Jantz. “When you destroy the environment with heavy industrial activity, the main reason many of us stay here is also destroyed.”

Dr. Thomas Michael Power, a Research Professor of Economics at the University of Montana, has studied extractive industries in the west for 20 years. He retired from teaching and administration in 2007. He served as Chairman of the Economics Department from 1977 to 2007 and has served on the faculty there since 1968. His fields of specialization are resource economics and regional economics.

The complete report is available at the New Mexico Environmental Law Center website at www.nmenvirolaw.org in PDF format.

Dr. Power’s report was reviewed by the Bureau of Business and Economic Research at the University of New Mexico.

www.nmenvirolaw.org

The mission of the New Mexico Environmental Law Center is to protect New Mexico’s natural environment and communities through legal and policy advocacy, and public education. The New Mexico Environmental Law Center’s attorneys have handled over 100 critical cases in low-income and minority communities fighting pollution and environmental degradation. The Law Center charges few, if any, fees to its clients, most of whom are from Hispanic and Native American communities. The NMELC is celebrating its 20th anniversary in 2008. Membership and gifts help New Mexico communities protect their natural environment and their health from toxic pollution, the degrading effects of growth and liabilities created by irresponsible mining. Contact: Sebia Hawkins, Director of Development 505-989-9022.

INTERVIEWS AND IMAGES ARE AVAILABLE UPON REQUEST

Contacts:

Juana Colón, Communications and Public Ed.
New Mexico Environmental Law Center
(505) 989-9022
jcolon@nmelc.org

MARSHALL PLAN

Jennifer Marshall
505-231-1776
jennifer@jmarshallplan.com
www.jmarshallplan.com

###