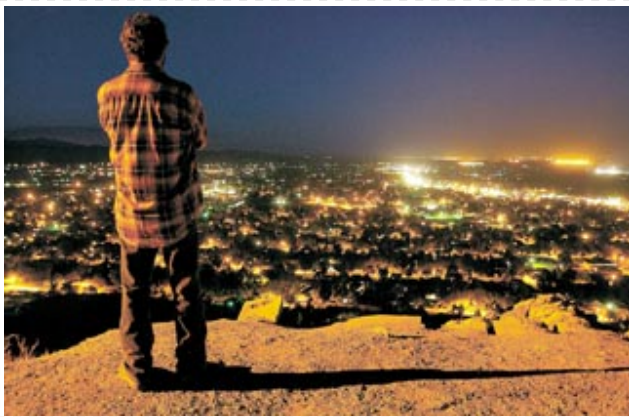
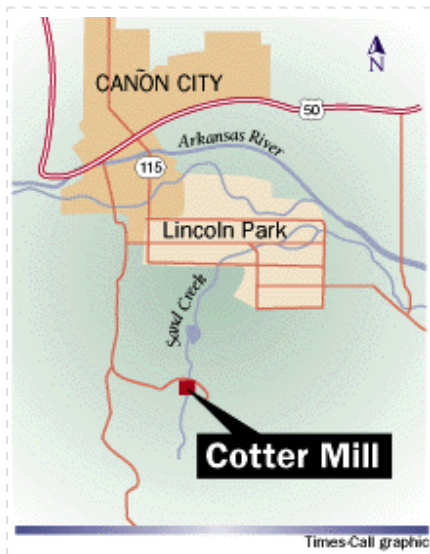


Cotter at the Crossroads

A community grapples with a uranium mill's past, present and future



A red glow illuminates the sky over Cañon City on Thursday evening. Cotter Corp., which has a questionable future, is based in the city. Times-Call/Jeff Haller



Decision Time

*By Ken Amundson
Daily Record News Group
Analysis*

For the Cotter Corporation, the issue is survival in what is probably the most economically challenging uranium market since the atom was cracked in the 1940s.

For many in Canon City, the issue revolves around trust. Can Cotter and the Colorado Department of Health be trusted to look after the interests of Canon City residents, when the record is replete with examples of situations in which the health and welfare of the community were not protected?

The health department decision about whether to allow soil contaminated with thorium from the former Maywood, N.J., lantern factory site to be shipped to and deposited on the Cotter facility site is but one of three major decisions to be made in the coming weeks or months. Also on the health department's agenda is resolution of 16 violations of the Cotter Corporation's license to operate. This year's violations, a record for one year, bring the total violations to more than 140 since Cotter began operations at Canon City in 1959. Finally, the health department is considering whether to renew Cotter's five-year operational license.

Cotter has worked diligently in recent months to perfect a new process that would move the company away from the economically challenged uranium milling business, said company President Richard Cherry and Executive Vice President Rich Ziegler. The company would like to begin production of zirconium, a material used in the ceramics industry. But venture capital in the ore milling industry is difficult to secure and thus operations must generate the cash needed to retool, the two executives said. Revenue gained from disposal of the Maywood soil would provide the money needed to continue the development of the zirconium process. Thus, the health department's decision has a significant impact on the future operations of the company.

While Cherry and Ziegler eagerly embrace disposal of the Maywood soil as a means to earn investment cash, they say they are not interested in becoming a disposal site for other kinds of waste. Yet, they relate recent and historical instances in which Cotter has processed and/or disposed of wastes from the nation's environmental Superfund sites.

Those who have studied the problem of radioactive waste know that there are limited numbers of places where nuclear and other wastes can be disposed. Cotter is one that is already approved for disposal of some of these materials.

The health department decisions are overlaid with varying degrees of knowledge about years of questionable activity at the Cotter plant, just south up a hill from Canon City and the Arkansas River that runs through town. Consider, for example:

At least some of the waste from the Manhattan Project, which produced the nation's first atomic bombs, was processed at the plant without the full knowledge of the community or plant workers. Material not reclaimed in the processing for uranium ended up in impoundments on the site. Some of it is still there.

Radioactive waste was found in the dust of the attic of the Joe Dodge home, a Ponderosa-looking ranch house just south of town in Lincoln Park, a Superfund site. This is evidence that particulate from the plant, or perhaps from shipment of the Manhattan waste in open rail cars through Canon City, was allowed to spread on the wind.

A government-imposed cleanup of the Cotter mill site and Lincoln Park beginning in the 1980s resulted in water from the impoundments being pumped into abandoned coal mines that honeycomb the geology of the area. Ziegler denied the allegation. Company employees, however, told the court in sworn testimony that it had occurred.

Cotter agreed to test water wells in the Superfund area. It still does, but those tests are not regularly audited by the state health department. Well owners complain that even when the wells are bone dry, the tests indicate that water was analyzed.

The state itself owned the Cotter site until shortly before the Superfund designation and before the state lawsuit against the company. Land ownership, coupled with regular licensing renewals, gave great weight to the Cotter argument at the time that the state shared in liability for soil and groundwater contamination.

Cotter officials question what past violations and errors have to do with today's issues. The operation is better run than in the past, they say, and stories about the past's problems exacerbate unfounded fears among the general public about radiation and uranium processing. But Cotter and Canon City are also at a crossroads. Increasingly, Cotter and its parent company, General Atomics, are advancing the idea of alternative feed materials. Instead of processing uranium ore, the mill would process and/or dispose of material cast off by nuclear industries around the country. Cotter is licensed to take in so-called 11e(2) material, which is defined as the by-products of uranium and thorium milling processes. Those byproducts may be tainted with other hazardous materials.

At one time, processing of such wastes might have been restricted at mills such as Cotter's. However, gradual loosening of the restrictions - in the face of burgeoning stockpiles of wastes around the country, make it possible for such material to be placed at installations such as Cotter. The state of Utah called such processing "sham

processing" in a case it filed before an administrative law judge. Utah contended that deals to process waste material were lucrative not because of reclaimable materials such as uranium, but because of the amount of money offered to dispose of the leftovers. Utah lost its case. The federal government determined its role extended only to regulating the radioactive content of materials, not whether a company's business practices had economic merit.

For Canon City, the stakes are high. On one hand, a significant employer's economic future is at risk. On the other, health and safety issues come to the fore. Unanswered by the community at large is whether it is willing to accept a new business operation at Cotter that could include disposal of wastes that others don't want.

Beginning today, we will publish a series of reports gleaned from the review of thousands of public documents, from dozens of interviews and from the analysis of multiple studies. Included will be information about Canon City's connection to the Manhattan Project, information contained in federal and state court files from lawsuits involving Cotter, a look at health department oversight of the mill operation, a review of the current state of affairs of the uranium industry and what is known - and not known - about the health impacts of living downstream of Cotter Corporation.

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