U. S. ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

NO. 220
Information Division
CHapel 3-2110, Ext. 229

For Release Monday
November 24, 1958

The following covering note to editors and correspondents was issued by the U. S. Atomic Energy Commission in Washington, D. C:

"Note to editors and correspondents: The attached notice modifying the Atomic Energy Commission's 1962 - 1966 Uranium Concentrate Purchase Program is being filed today (Monday, November 24, 1958) with the Federal Register."

The United States Atomic Energy Commission: Notice is hereby given of modification of the 1962-1966 Domestic Uranium Concentrate Procurement Program.

1. On May 24, 1956 the Atomic Energy Commission announced that it would guarantee the purchase of U_3O_8 in concentrates produced and delivered during the period April 1, 1962 - December 31, 1966. The Commission will carry out its May 24, 1956 commitment with respect to ore reserves developed prior to this date in reliance upon the May 24, 1956 announcement by negotiating for the purchase of appropriate quantities of concentrates derived from such ore reserves during the 1962-1966 period. Such purchases will be at the previously established price of $8.00 per pound for U_3O_8 in an acceptable concentrate.

2. By issuance of this announcement the Atomic Energy Commission hereby withdraws prospectively the concentrate purchase program announced May 24, 1956. With respect to new ore reserves developed after this date, the Commission will make contracts to purchase concentrates to the extent that requirements dictate and on such terms and conditions and at such prices as the Commission may from time to time agree upon. Future programs will give due consideration to the adequacy of domestic ore reserves, the need for exploration and development, the maintenance of the domestic uranium industry, and other factors which may be important to the Atomic Energy Program.

3. The effect of this modification will be to provide the domestic uranium industry with a substantial continuing market for the period 1962-1966 for concentrates derived from already developed ore reserves and, at the same time, guard against overproduction.

4. Under this revised program, the Commission's 1962-1966 domestic uranium concentrate purchases from ore reserves already developed will be limited to:

(A) Current milling contracts:

(B) Appropriate extensions of current milling contracts to the extent the Commission determines that the milling facilities are needed for the presently existing mining operations and developed ore reserves;

(C) New milling contracts or amendments to existing contracts which may be executed pursuant to the Commission's April 2, 1958 announcement of the limited expansion of the domestic uranium procurement program;

(D) New milling contracts or contract amendments which may be negotiated for the purchase of appropriate quantities of concentrates in the 1962-1966 period from ore reserves developed between November 1, 1957 and the date hereof.

5. The action taken today is to guard against serious overproduction which might occur under an unlimited purchase program if very large additional uranium discoveries are made. The Commission's action recognizes the need for placing definite limitations on annual deliveries of concentrate and at the same time it gives due consideration to those who already have developed ore reserves in reliance upon the Commission's 1956 announcement. Protection will be given the independent miners by incorporating in all new milling contracts and extensions to existing milling contracts provisions designed to provide independent mine owners a fair share of available milling capacities.

6. Today's action is not due to any forecast of a reduction in the Commission's uranium requirements or in the potential requirements for commercial atomic power. However, it is in the best interest of both the industry and the government to hold uranium production in reasonable balance with requirements.

For the United States Atomic Energy Commission:

Signed Paul F. Foster
General Manager

Dated at Washington, D. C. this 21st day of November 1958