

FMC announces layoffs

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GREEN RIVER -- The hard times are continuing in the state's trona patches, as another Green River soda ash producer announced plans to reduce its work force because of the economic downturn.

The nation's largest soda ash producer, FMC Wyoming, Inc., said Friday the company will not be restarting its Granger facility as planned. Production at the soda ash plant was suspended in April.

FMC officials said the move will result in the layoff of 70 employees this fall, including 50 hourly workers and 20 salaried workers, or about 8 percent of the total work force.

The FMC layoffs come on the heels of a work force reduction of 38 employees last week by soda ash competitor OCI Wyoming, LP.

"I know this will be a very difficult time for all employees," FMC resident manager Jim Pearce said in a Friday letter to employees.

"Unfortunately, the current business situation requires we take this action," he wrote. "We believe this is a necessary business decision while providing us with the flexibility to bring the plant on line when business improves."

Pearce said the company has no exact date of when the layoffs will begin, but officials expect the reduction to be complete by the end of September.

FMC owns the largest of the four multinational trona mining and soda ash processing plants located about 20 miles west of Green River.

FMC and General Chemical, Inc. are the only two unionized plants in the Green River Basin and are both represented by the United Steel Workers of America.

More than 90 percent of the nation's trona is mined from the Green River Basin. Trona ore is refined into soda ash, which is used in a variety of products, including glass and detergents.

Green River producers account for about 30 percent of the world's total soda ash production. The Wyoming industry produced a record 11.3 million metric, or short tons, of soda ash in 2008.

The industry has been struggling in recent years to compete globally with such overseas producers as China, primarily because of climbing natural gas costs and increased rail transportation costs.

The global economic downturn has reduced the demand for many soda ash products in recent months. U.S. Geological Survey figures show a 24 percent drop in U.S. soda ash production between the last three months of 2008 and the first quarter of this year.

FMC is Sweetwater County's largest employer with 888 workers, according to Sweetwater County Economic Development Association data.

Workers live in Green River and Rock Springs, and in such outlying towns as Granger and Superior, and in Lyman and Mountain View in neighboring Uinta County's Bridger Valley.

Easy restart

Pearce told employees the company decided to not restart the Granger facility because capacity from the plant will not be needed to fulfill current export demand.

As a result, FMC is beginning the mothballing process for the Granger facility. Pearce estimated the process will take approximately two months to complete. He said the Granger facility will remain down until the market justifies a restart.

In April, FMC temporarily suspended operations at the facility to align production with the decreased level of U.S. exports resulting from the global economic slowdown, FMC spokesman Jim Fitzwater said in a release.

FMC planned to restart the facility later in 2009 if needed to meet export demand in the second half of the year.

Fitzwater said the company expects export demand to recover, but at a level that does not immediately require the incremental Granger production.

"There is no fundamental change in our operating philosophy," said Ed Flynn, president of FMC Wyoming.

"Due to its low start-up cost, our Granger facility has always been utilized as swing capacity to meet rising export demand," he said. "Revised export demand projections for the second half of 2009 do not warrant a restart of the Granger operation at this time."

Officials said the company now expects to operate without any excess capacity during the rest of this year and into 2010.

Officials noted the solution mining technology that is currently used at the Granger plant requires less cost to restart than other traditional trona mining technologies such as longwall mining.

That gives FMC "considerable flexibility" to bring the production at Granger back on line quickly when it is required, Fitzwater said.

The total Granger production capacity is approximately 1.3 million tons per year. Recently, the Granger facility has been producing approximately 600,000 short tons per year, which represents about 5 percent of the U.S. production capacity.

Mothballed

FMC acquired rival Tg Soda Ash in 1999, which at that time was the smallest of the five Green River Basin producers.

The purchase included the Granger processing facility and trona mine.

However, FMC discontinued trona mining at the Granger plant in 2001 and mothballed the facility shortly after.

In February 2008, the company initiated the recommissioning of the entire mothballed capacity at the Granger facility, with an eye toward having the additional capacity fully on line by 2012.

There have been more than 800 jobs lost in the state's soda ash industry since 1997, including some 400 jobs at the FMC facility, according to union figures.

In 2003, FMC shut down its sodium phosphate plant -- located within the company's Green River soda ash facility -- in a restructuring move that reduced its workforce by about 50 employees.

At the time, FMC's phosphate plant was the largest sodium phosphate producer in the world, with a rated capacity of 425 million pounds per year.

The approximately 650 USWA Local 13214 union members at FMC voted on a new, five-year contract in June 2005 that will expire next summer.

FMC's Wyoming facility has a production capacity of about 4.8 million short tons of soda ash per year. FMC Wyoming is a subsidiary of FMC Corp., which is a diversified chemical company headquartered in Philadelphia.

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