

**Statement of Monte Morlock, President,
United Steelworkers of America, Local 13214
Rock Springs, WY.**

Senator Thomas, Honorable members of this committee:

I am Monte Morlock, President of the United Steelworkers of America, Local Union 13214. I am the elected representative of 650 miners and production workers at the FMC Wyoming Corp. mine and plant in Westvaco, WY. Along with the 650 workers I represent there are an additional 400 members of the Steelworkers at the General Chemical Soda Ash Partners mine and plant about 3 miles from our plant and another 800 employees at two other multinational corporations in the trona patch..

I am here to talk about the impact of foreign soda ash production on people in Sweetwater County.

The United States accounts for 30 percent of the world's supply of soda ash. That includes natural and synthetic soda ash. About 90 percent of the natural soda ash in the world is produced in Wyoming.

China is now the top contributor to our national trade deficit. We buy more than \$5 worth of goods from China for every \$1 we sell, and we ran an \$83 billion deficit with China last year. Since Congress granted China Permanent Normal Trade Relations (PNTR) status and China joined the WTO, the U.S. deficit with China has grown more than 20 percent, by over \$14 billion.

In Asian soda ash markets China is our largest competitor. The United States is no longer the world's leading producer of soda ash. China is expanding to other markets across the globe. They have recently gone into markets in South America and Latin America. Nearly all of China's soda ash production is synthetic and is considered to be highly polluting due to lax pollution laws in China.

We are concerned that United States trade policies have cost American jobs. In the past three years we have lost approximately 400 jobs at the FMC plant and another 200 at General Chemical. I'm sure that you would see similar results at the other companies mining ore in the trona patch. These are highly paid, quality jobs that contribute substantially to the economy of southwestern Wyoming as a region and the state as a whole. Because of cheap labor costs, lax pollution laws and lower transportation costs China's production will put downward pressure on our wages and working conditions. It will erode the ability of the State and Federal government to protect public health and the environment. Public services are diminished by a loss of the tax base.

Instead of bringing prosperity to workers in developed and less developed countries, China's expansion into our markets, and our inability to get into their markets will spawn a race to the bottom in which companies seek out the cheapest labor, weaker environmental laws and fewer workers' rights. As a result we will find ourselves working longer hours in unsafe and unhealthy conditions for lower pay.

Our difficulties in competing with China arises largely because of the transportation costs for moving Soda Ash out of southwest Wyoming. We have heard figures that indicate transportation costs contribute up to 50% of cost of a ton of soda ash. It is undoubtedly the single largest expense producers must bear in getting the product to market.

There is a serious lack of competitive access in the rail industry here in southwest Wyoming. Even where there is competition the producers are required to negotiate for rail service on the entire length of route rather than for individual segments. This unfair monopoly of rail service hinders production and stifles the competitiveness and growth of the soda ash industry. In so doing it threatens the local and state economy, the worker's standard of living, and finally, services to the community provided by state and local governments through the reduction of their tax base. One solution to this problem is currently before Congress. Senator Burns has sponsored legislation that would bring greater competition to the rail transport system. We strongly urge its adoption and ask your support of that legislation.