

114 JOBS CUT

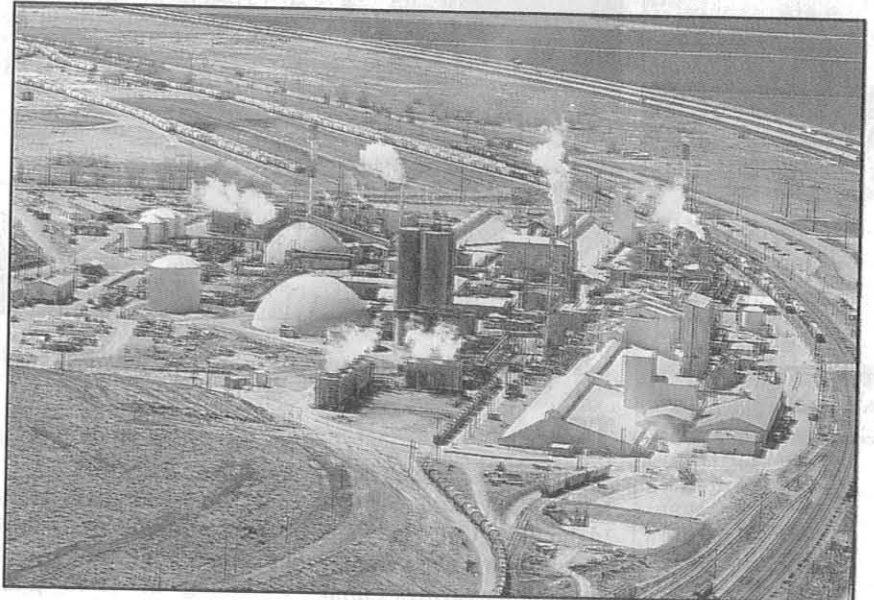
Simplot blames legal challenge for pending layoffs

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POCATELLO — Mayor Chase is not only concerned about the 114 people J.R. Simplot Company is set to lay off this week, but he is also worried the ongoing legal issues that have delayed the expansion of the Smoky Canyon Mine could eventually lead to the closure of the Don Plant in Pocatello.

“You always worry about this strategy of filing lawsuits until you eventually close a plant down,” Chase said. “The federal review process can be slow. It was one of our

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IDAHO STATE JOURNAL FILE PHOTO

An aerial view of the Simplot Don Plant just outside Pocatello.

Simplot employs 560 workers at Don Plant and mine

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biggest fears that they just keep it in the courts until they shut this mine down.”

The Smoky Canyon Mine lies within the Caribou-Targhee National Forest in Caribou County along the Idaho-Wyoming border. Simplot's plan to expand the mine — the sole source of phosphate ore for the Don Plant — was approved by the U.S. Forest Service and Bureau of Land



Chase

Management last summer.

In September, a lawsuit filed on behalf of the Greater Yellowstone Coalition, represented by attorneys with Earthjustice, sought to stop the expansion. U.S. Magistrate Judge Mikel H. Williams denied the stoppage, but an appeal to the U.S. Court of Appeals for the 9th Circuit led that court to delay the expansion.

The 9th Circuit kicked the case back to Williams in April, asking the judge to address in greater depth how the expansion of the mine would affect a roadless area. On May 13, Williams said the ban would be lifted on May 23, giving several days for an appeal

of his decision.

Williams' decision was again appealed to the 9th Circuit, and again that court halted expansion at the mine on May 22.

Simplot, in a release issued Monday, said it can no longer weather the delays without reducing its manpower at both the mine and the Don Plant. The company has a combined total of 560 employees at the two locations and said 36 at the mine and 78 at the Don Plant will be laid off this week. In addition to employee layoffs, Simplot has released 199 contracting company workers, and has not filled 22 vacant positions.

Early in the legal proceeding, Pocatello, along with eight other entities, were allowed by Williams to participate in the litigation because of the economic impact the case could potentially have on those nine entities, which also included Chubbuck, Bannock County, Power County and Caribou County.

Chase said the local economy can likely absorb some of the 78 people about to lose their jobs.

“But chances are it won't be at the same wage,” he said. “Jobs at the pay level of Simplot are hard to come by.”

The mayor minces few words, saying he believes the mine expansion should



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be allowed not only for the sake of the economies that would be affected otherwise, but also because it simply isn't the endangerment to the Caribou-Targhee National Forest that the project's detractors are conveying.

“The mine itself is not very large, as I understand it,” Chase said. “It's less than one-tenth of a percent of the total forest.”

In fact, it's far less than that. According to the June 2008 decision from the U.S. Forest Service approving the expansion of Smoky Canyon Mine, it's about 600 acres. According to the U.S. Forest Service's Web site, the Caribou-Targhee National Forest is about 3 million acres.

“I know we have to do all we can to protect the environment, but this thing has gotten so blown out of proportion,” Chase said.

“It bothers me that a lot of people could lose their jobs because of this.”

In Simplot's release Monday, the company said an economic impact study conducted by Idaho Economics, a research firm in Boise, suggested the combined impact of closing both the Don Plant and the Smoky Canyon Mine would be about \$131 million annually across 11 counties in Eastern Idaho and in Lincoln County, Wyo.

“The study also concluded that in addition to the 560 jobs in jeopardy from closing the mine and plant, the phosphate operation creates another 1,066 jobs in the region and over \$6.3 million in Idaho tax revenue,” was written in the release.

Simplot said that after layoffs it is scheduled to make, it estimates there is less than a year's worth of phosphate ore remaining in existing sections of the mine.

“If this situation persists, we not only will be forced to reduce our work force at the mine and plant, but we'll have to close both operations within 18 months,” said Garrett Lofto, president of Simplot's AgriBusiness Group.

The case is currently in Williams' court and he is scheduled to make a final determination on the case on Aug. 4.