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ALASKA DELEGATION SEEKS TRADE ADJUSTMENT ASSISTANCE FOR AGRIUM

Washington, D.C. – In an effort to aid the Kenai Peninsula should the efforts to save the Agrium plant be unsuccessful, the Alaska Congressional Delegation has sent a letter to the U.S. Department of Labor urging that those affected by the closure be considered eligible for Trade Adjustment Assistance.

Agrium U.S. Inc. is currently scheduled to shut down its Kenai Nitrogen Operations on Nov. 1, 2005. This is expected to cause the direct loss of 200 high paying skilled jobs and is likely to further impact more than 500 workers on the Kenai Peninsula.

"Agrium is an important part of the Kenai Peninsula economy. The potential loss of jobs would be devastating to the already burdened community. Trade Adjustment assistance is needed to ensure that the people of the Kenai Peninsula are helped in every way possible," Senator Ted Stevens said.

Through Trade Adjustment Assistance, the federal government aids communities where economies have been endangered through the impact of foreign trade. TAA can include health care, job training, and job relocation aid. In the past TAA has applied to industrial sectors such as the U.S. textile and shoe industries, which have suffered because of the increased competition from foreign products made possible by NAFTA and other trade agreements.

Alaska's Delegation was successful last year in having TAA apply to Alaska's fishermen as the fishing industry has been impacted severely through imports of foreign farmed fish. Similarly, the Delegation is now advocating TAA be applied to Agrium as the plant's closure is related to the shift of fertilizer plants overseas and the increased imports of nitrogen fertilizers as well as the high cost and low availability of domestic natural gas.

"The potential closure of Agrium would further harm the Kenai Peninsula - where the unemployment rate is already four percent higher than the state's average. If Agrium is unable to stay open, we need to do all we can to help those that will be affected," Senator Lisa Murkowski said.

"The closing of Agrium would be an extremely harsh blow to the overall economy of the Kenai Peninsula. The TAA would assist those affected and at best stabilize the economy," said Congressman Don Young.

During the past six years, 20 ammonia plants have closed in the United States, representing a drop of 20 percent in total U.S. production capacity. American

production has fallen from 17.85 million tons in FY 1998-99 to 11.70 million tons in FY 2003-04. U.S. nitrogen imports have correspondingly risen to 10.36 million tons from 6.11 million tons during the same period. This trend has already claimed about 1,000 American jobs, according to The Fertilizer Institute.

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