

NC Hits Deadline For Alcoa's Jobs-For-License Deal

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RALEIGH, N.C. (AP) — A recently created steel company and its big backer Alcoa Inc. set a Thursday deadline for local and state officials to drop opposition of Alcoa renewing a multi-decade license to operate four hydroelectric dams.

Alcoa officials had warned that unless their route to a new license to operate the dams was cleared by midnight Thursday, Clean Tech Silicon and Bar LLC would take its estimated 250 production and 200 support jobs somewhere other than the former Alcoa aluminum smelting plant in Stanly County that once employed about 1,000.

Pittsburgh-based Alcoa has been operating four dams on North Carolina's Yadkin River under short-term licenses since its 50-year federal license from the Federal Energy Regulatory Commission expired in 2007.

Alcoa has sold the electricity to commercial customers since its smelter closed years ago. Company figures estimate that the dams could generate revenues of more than \$2 billion over 50 years, the time Alcoa seeks for a new license. Those revenues could multiply if demand for clean power booms or the dams increase their output.

Clean Tech executives did not respond to messages seeking comment on its proposed \$150 million plant to turn recycled metal into reinforcing bars for building construction and a second \$150 million investment in a facility to make silicon. A decision deadline set by Clean Tech two months ago was ignored.

But Alcoa vice president Kevin Anton said Thursday is a "firm, solid and immovable deadline." Alcoa has pressured officials to back down on their relicensing fight, recently sending fliers to Stanly County residents urging them to call and email local officials in support of the jobs-for-license linkage.

Alcoa has two press releases ready to release after Thursday's deadline, Anton said. One congratulates officials for seeing things the company's way. "Version two is the county commissioners and the elected officials have left behind a great opportunity," Anton said.

Officials worry about being blamed for turning away jobs promising to pay about \$40,000 to \$55,000 a year in an area where unemployment tops 10 percent.

But company promises are a poor payoff for control of hydropower resources that could result in thousands of jobs in coming decades and the freedom to use the river's water as supplies tighten for the state's 9.5 million residents, officials said

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Thursday.

"Alcoa is a multi-national, out-of-state corporation that wants to use North Carolina's water in order to make money. Gov. Perdue will only support an agreement if it protects North Carolinians by ensuring meaningful job creation, preserving our drinking water and safeguarding our lakes and rivers over the span of the license," Perdue spokeswoman Chris Mackey said.

Stanly County Commissioner Lindsey Dunevant said negotiations with Clean Tech and Alcoa in recent weeks have emphasized that the jobs were welcome, but were unrelated to the relicensing question.

Alcoa "wants to tie in another component of the deal that has long-range implications," Dunevant said. "We've tried to separate that."

The jobs offer launched this summer has helped both Alcoa and Clean Tech.

Alcoa found leverage to conclude its relicensing quest. Clean Tech, incorporated in Delaware in August and led by former Nucor Corp. CEO John Correnti, would get a major investor as it seeks financing. Alcoa's investment in Clean Tech would give the country's largest aluminum maker a 25 percent ownership in the smaller company, Anton said.

Another Correnti company, Steel Development Co., has said it aims to open four small mills around the country producing construction-grade steel. Since 2008, Correnti and Steel Development have backed out of proposed deals to build steel mills in Ohio and New York, citing the uncertain future of energy supplies.

Correnti's company also has not completed a \$175 million on a rebar manufacturing plant in Amory, Miss., for which it broke ground in 2008. A Chinese steel producer said last year it would invest in the plant in return for a 14 percent stake.

Alcoa will continue to look for companies to move into its former smelter site even if the Clean Tech project falls through, Anton said.

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