

**MEMORANDUM**

To: Gene Ellis, APCI  
From: John McLaughlin  
Re: North Carolina Statewide Survey Results  
Date: June 25, 2008

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The budget passed by the N.C. Senate last week includes a provision to create a Yadkin Study Commission that would examine water issues along the Yadkin River, including whether or not the State of North Carolina should pursue a takeover of the Yadkin Hydroelectric Project that is currently operated by Alcoa Power Generating Inc. (APGI).

To assess public opinion regarding this issue, APCI hired McLaughlin & Associates, a national polling firm, to conduct a public opinion survey. McLaughlin & Associates conducted a telephone survey of 500 likely voters on June 19-22, 2008, with an additional oversample for a total of 350 interviews in Anson, Cabarrus, Davidson, Davie, Iredell, Montgomery, Randolph, Rowan, Stanly and Union counties.

**SUMMARY OF POLL FINDINGS**

This survey clearly shows that the voters of North Carolina strongly believe that it is a very bad idea for the state government to take over the Alcoa hydroelectric dams and power plant. Philosophically, the large majority of North Carolina voters are opposed to the concept. In practical terms, they do not want to pay for the takeover and believe the state should instead focus on addressing more pressing needs like education and the economy.

Key findings include:

- Three out of four voters (75%) disapprove of the state using tax dollars to take over a privately owned and operated business.
- Voters oppose a state takeover by a 3-to-1 margin (57% to 19%) and oppose the state getting into the power business by a 2-to-1 margin (59% to 27%).
- The opposition to a state takeover increases to 71% when told a takeover will cost a minimum of \$25 million and further increases to 76% when told the cost may be hundreds of millions of dollars.
- By a two-to-one margin, a majority of voters (52%) believe the state taking over the Yadkin Project would be a violation of property rights, while only 27% feel it should be owned by the state.
- The purchasing of a hydroelectric power plant on the Yadkin River in North Carolina is NOT a major state priority.

*Note: A list of survey questions with exact wording and results is attached on the following pages.*

**SURVEY QUESTIONS**

*Do you approve or disapprove of the state government using tax dollars to take over a privately owned and operated business?*

	<b>Total</b>	<b>Target Counties</b>	<b>Rest of State</b>
<b>APPROVE</b>	<b>10</b>	<b>10</b>	<b>11</b>
Strongly Approve	4	5	4
Somewhat Approve	7	5	7
<b>DISAPPROVE</b>	<b>75</b>	<b>80</b>	<b>74</b>
Somewhat Disapprove	16	16	16
Strongly Disapprove	59	64	58
<b>DK/Refused</b>	<b>15</b>	<b>11</b>	<b>15</b>

*Currently, the N.C. General Assembly is considering a study commission to determine whether the state should take over the hydroelectric power project that is owned and operated by Alcoa Power Generating Inc. Do you support or oppose the state of North Carolina taking over a privately owned hydroelectric power project in central North Carolina?*

	<b>Total</b>	<b>Target Counties</b>	<b>Rest of State</b>
<b>SUPPORT</b>	<b>19</b>	<b>18</b>	<b>19</b>
Strongly Support	7	6	7
Somewhat Support	13	12	13
<b>OPPOSE</b>	<b>57</b>	<b>58</b>	<b>57</b>
Somewhat Oppose	14	18	13
Strongly Oppose	43	40	44
<b>DK/Refused</b>	<b>24</b>	<b>25</b>	<b>24</b>

*At present, the North Carolina state government does not own, run or maintain any power plants. Do you support or oppose the state of North Carolina getting into the power business where the state would be responsible for owning, running and maintaining power plants and competing with other utilities?*

	<b>Total</b>	<b>Target Counties</b>	<b>Rest of State</b>
<b>SUPPORT</b>	<b>27</b>	<b>24</b>	<b>27</b>
Strongly Support	8	8	8
Somewhat Support	19	17	19
<b>OPPOSE</b>	<b>59</b>	<b>58</b>	<b>59</b>
Somewhat Oppose	12	14	12
Strongly Oppose	48	44	48
<b>DK/Refused</b>	<b>14</b>	<b>18</b>	<b>13</b>

*Would you support or oppose the state of North Carolina taking over the hydroelectric power project that is owned and operated by Alcoa Power Generating Inc. in central North Carolina if you knew that it would cost the state taxpayers a minimum of \$25 million, but could cost more?*

	Total	Target Counties	Rest of State
<b>SUPPORT</b>	<b>10</b>	<b>10</b>	<b>11</b>
Strongly Support	4	4	3
Somewhat Support	7	6	7
<b>OPPOSE</b>	<b>71</b>	<b>73</b>	<b>71</b>
Somewhat Oppose	13	13	13
Strongly Oppose	58	60	58
<b>DK/Refused</b>	<b>18</b>	<b>17</b>	<b>18</b>

*Would you support or oppose the state of North Carolina taking over the hydroelectric power project that is owned and operated by Alcoa Power Generating Inc. in central North Carolina if you knew that it would cost the state hundreds of millions of dollars?*

	Total	Target Counties	Rest of State
<b>SUPPORT</b>	<b>8</b>	<b>8</b>	<b>8</b>
Strongly Support	2	4	2
Somewhat Support	6	4	6
<b>OPPOSE</b>	<b>76</b>	<b>78</b>	<b>75</b>
Somewhat Oppose	9	7	10
Strongly Oppose	66	71	66
<b>DK/Refused</b>	<b>17</b>	<b>14</b>	<b>17</b>

*Which of the following statements comes closer to your own point of view? [Rotate order]*

*(SOME/OTHER) people say the state taking over Alcoa’s hydroelectric power project is a violation of their property rights. Alcoa purchased the land and built the dams, has operated and maintained them for 100 years, and should have the right to continue operating the dams if it chooses to renew its license.*

**OR**

*(SOME/OTHER) people say that the river belongs to everyone and that the federal law provides a way for ownership of the dams to be transferred to the state of North Carolina and it should be owned and operated by the state government for the public interest.*

	Total	Target Counties	Rest of State
<b>Violation of Property Rights</b>	<b>52</b>	<b>49</b>	<b>52</b>
<b>Should Be Owned By State</b>	<b>27</b>	<b>23</b>	<b>27</b>
<b>DK/Refused</b>	<b>22</b>	<b>29</b>	<b>21</b>

*Among the following, which do you think should be the state of North Carolina's top spending priority?*

	<b>Total</b>	<b>Target Counties</b>	<b>Rest of State</b>
<b>Improving education and increasing teacher salaries</b>	39	39	39
<b>Lowering state and local taxes</b>	31	27	31
<b>Improving roads and transportation</b>	13	14	12
<b>Fixing the states mental health system</b>	9	9	9
<b>Purchasing a hydroelectric power plant</b>	6	7	6
<b>Other</b>	1	1	1
<b>DK/Refused</b>	3	3	3

#### **METHODOLOGY**

*This survey of 500 likely general election voters was conducted in North Carolina between June 19th and 22nd, 2008; with an additional oversample for a total of 350 interviews in Anson, Cabarrus, Davidson, Davie, Iredell, Montgomery, Randolph, Rowan, Stanley and Union Counties.*

*All interviews were conducted by professional interviewers via telephone. Interview selection was at random within predetermined election units. These units were structured to statistically correlate with actual voter distributions in a statewide general election.*

*The accuracy of the sample of 500 likely general election voters is within +/- 4.5% at a 95% confidence interval. The accuracy of the oversample of 350 likely general election voters in the targeted area is +/- 5.2% at a 95% confidence interval.*

#### **KEY DEMOGRAPHICS**

<b>Party Registration</b>	<b>Total</b>
Republican	37%
Democrat	48%
Independent	15%

<b>Race</b>	<b>Total</b>
White	76%
African American/Black	21%
Hispanic	1%

<b>Gender</b>	<b>Total</b>
Men	48%
Women	52%