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Reclaiming Yadkin section won't be easy

As time to act slips away, business and civic leaders east of Charlotte are pressing a federal agency to take a historic step: Reclaim 38 miles of the Yadkin River now controlled by aluminum giant Alcoa.

Alcoa's power no longer provides local jobs at its now-closed smelter and sells on the open market, netting the company about \$8 million a year. Water-rights advocates insist the hydropower, under company control since 1915, should benefit the people of North Carolina.

In a state where drought and growth no longer make water a disposable resource, the populist stand has drawn some political support.

Former Gov. Mike Easley asked federal regulators last year for a one-year delay in renewing Alcoa's license. The former leader of a water-rights committee pressing the issue is incoming Gov. Bev Perdue's commerce secretary.

Perdue still supports a delay "while community concerns are evaluated and the state considers the most appropriate use of this public resource," spokesman Tim Crowley said.

A report on the issue is due to a legislative commission by Feb. 1.

But the legal and financial odds seem to weigh heavily against taking away Alcoa's license:

Although a 1920 federal law allows it, the Federal Energy Regulatory Commission has never reclaimed a hydro license. Agency staff doesn't consider it a "reasonable alternative" in Alcoa's case.

The two-year window in which the federal agency could take steps to reclaim the license passed, without action, last May.

While supporters say the license could be retaken by paying Alcoa as little as \$24 million, the company says infrastructure improvements it has committed to could add \$240 million to the costs.

The water-rights committee envisions the state repaying the federal government's costs of compensating Alcoa. But the state faces a \$2 billion to \$3 billion budget shortfall this year.

"When you look at those three pieces, we just don't see that it's likely at all," said Gene Ellis, an Alcoa official in Stanly County.

Questions about pollution

Alcoa expects its license to be renewed within months. The final step, a state water-quality permit, has been delayed by concerns over pollution from the old aluminum works but is on schedule to be issued by May.

Stanly County, where the smelter sits, says Alcoa still has not cleaned up 90 years' worth of pollution. Alcoa says it has spent millions investigating 47 potential contamination sites and cleaning up the six that needed it.

The state is expected to order Alcoa to monitor pollutants in Badin Lake and its dam.

The N.C. Water Rights Committee, predicting growth in the region of small towns and countryside, says too much is at stake to call off its fight.

“That river basin is probably the last major river basin in America with no major population center,” said treasurer Christopher Bramlett, a retired chemistry professor in Albemarle. “The thought of tying that down for 50 years is very troubling.”

The water-rights group has recently promoted the idea of a state-held trust taking control of the Yadkin license. It was led until recently by Keith Crisco, an Asheboro businessman who is the state's newly installed commerce secretary. NASCAR legend Richard Petty touts the movement on the group's Web site.

In addition to managing the hydro project, the committee says, the trust would use the profits to pay for economic development, conserve land and clean up Alcoa's pollution.

Stanly County supports the idea. A newly established water advocate, the Yadkin Riverkeeper, has taken no formal position on a federal takeover.

“We do have concerns about implementation,” said Riverkeeper Dean Naujoks, “but certainly on paper it is a better plan than anything Alcoa has proposed.”

Six-term state Sen. William Purcell, a Laurinburg Democrat who represents Stanly County, isn't so sure.

“I just think this thing would take a lot of study and taking a look at before the state of North Carolina would get involved,” Purcell said. “It seemed to make some sense, but if it's going to take money to do, it's going to be difficult.”