



Relicensing Update

FERC continues work on new hydro license

With the current federal license for Alcoa's Yadkin Hydroelectric Project set to expire at the end of April 2008, the Federal Energy Regulatory Commission (FERC) is continuing its work on one of the final steps in the relicensing process — the completion of a Final Environmental Impact Statement (EIS). The new license is expected to be issued shortly after the Final EIS is completed.



FERC issued a Draft EIS in September 2007 and spent several months collecting feedback from those interested in the future management of the Yadkin Project. Alcoa and others provided comments for FERC to consider as it develops the new license.

"We look forward to receiving the new license and believe it will benefit everyone who enjoys the Yadkin lakes," said Gene Ellis, Alcoa-Yadkin licensing and property manager. "We expect the new license will include the significant recreational enhancements and important environmental protections that were proposed in our Relicensing Settlement Agreement."

There are two outstanding issues associated with the new license that are worth noting:

- Stanly County has filed a challenge to the water quality certificate issued by the State of North Carolina, claiming it does not address the county's environmental concerns. The water quality certificate is a requirement for a new license.

Background: FERC previously ruled that environmental issues involving the Badin Works smelter are separate from relicensing. Alcoa has been working closely with state and federal regulators for more than 20 years to remediate waste sites associated with the smelter. It is currently developing plans for ongoing monitoring of those sites.

- There are technical and legal issues associated with sedimentation and flooding concerns raised by the City of Salisbury that remain unresolved.

Background: The water quality certificate issued by the State of North Carolina requires that Alcoa-Yadkin remove sediment from Salisbury's water intake whenever sand and other debris makes use of the intake inoperable. Alcoa has said it will abide by those terms and has outlined additional steps it

Around the Lakes

New pier provides convenient water access to downtown Badin

BADIN — Alcoa has completed construction of large new pier at the Badin boat launch area, providing a convenient option for recreational users who want to dock their boat and walk to restaurants or shops in downtown Badin.



The new L-shaped pier is approximately 85 feet long and can accommodate nearly twice as many boats as the old pier.

Marshall Olson, environmental and natural resources manager at Alcoa, noticed that one of the old wooden piers at the boat launch area had begun to show signs of rotting last summer. The company decided to invest in a new state-of-the-art pier that would accommodate more boats and provide greater protection from waves when loading small boats.

"We spent a lot of time talking with local fisherman and boaters about what they wanted in a new pier. Then we worked with professional engineers to design the best pier possible," Olson said. "It's a significant upgrade from the old pier."

The new pier is constructed of sturdy aluminum framing that is attached to steel pilings and an existing concrete

is willing to take as part of a broader plan.

If FERC has not issued a new license by April 30, Alcoa will operate under an annual license that conditions that mirror those in its current license.

In The Community

IN THE COMMUNITY



Mayor Jim Harrison (center) receives a \$250,000 grant from Alcoa Power Generating Inc. vice president Bill Bunker and NC Rural Economic Development Center president Billy Ray Hall at a January 2008 celebration at the Alcoa Conference Center in Badin.

Town of Badin Celebrates \$250,000 Grant

One month after announcing a \$250,000 economic development grant to benefit the Town of Badin, officials from Alcoa and the N.C. Rural Economic Development Center came to Badin to celebrate the grant and talk about the town's future. The celebration was held on Thursday, January 24 at the Alcoa Conference Center.

Badin Mayor Jim Harrison said town leaders have often discussed their vision for the future. Now, thanks to Alcoa Foundation, the town finally has the resources to turn those visions into reality.

One of the most valuable resources may prove to be the town's partnership with the NC Rural Economic Development Center, a private, non-profit organization that will administer the grant and share its experience and insight with town leaders. The Rural Center has been working with small towns across North Carolina for more than 20 years to increase their capacity to meet economic challenges through investments in water and sewer infrastructure, business capital, information technology, leadership development, workforce training, strategic planning and community-based organizations.

Billy Ray Hall, president of the NC Rural Center, said he is looking forward to establishing a long-term partnership with Badin to help the town meet its goals.

The Badin grant will primarily focus on downtown revitalization efforts, including physical improvements to store fronts, financial incentives to attract new businesses, and marketing and promotional activities to increase awareness of Badin.

Alcoa donates pickup truck to Homes for Hope

pad. It includes a double set of floaters to help break up waves and provide the protection that local fisherman wanted.

When the recreational boating traffic at Badin Lake picks up this spring and summer, town officials are hoping that the new pier will help attract boaters to downtown Badin.

The N.C. Wildlife Resources Commission provided input and approval of the pier project.

Drought conditions persist; no end in sight

North Carolina officials say there is no end in sight to the drought that has plagued much of the state since last summer. Despite recent improvements in drought conditions, the state is still suffering from its lowest 12-month rainfall total in more than 60 years.

As a result of persistent drought conditions, Alcoa continues to manage water levels conservatively. That approach has helped Alcoa maintain water levels at High Rock Lake and Badin Lake well above their historical averages throughout the winter.

"The rainfall levels are starting to pick up, but we know the drought is far from over," said Marshall Olson, Alcoa-Yadkin Environmental and Natural Resources Manager. "We are staying in close contact with officials in North Carolina and South Carolina to monitor the drought. Our goal is to take appropriate measures that will protect water levels and provide a consistent flow of water downstream."

Alcoa in the News

Skeet Ayscue believes in hope. It's part of his job.

As executive director of Homes of Hope, a non-profit organization that helps temporarily homeless families get back on their feet, Skeet delivers hope each day to less fortunate families across Stanly County.

Those deliveries are now much easier, thanks to the donation of a 1989 Chevrolet pickup truck Alcoa.



Homes of Hopes executive director Skeet Ayscue (left) receives the keys to a 1989 Chevrolet pickup truck from Alcoa's Tommy Gibson and Mark Gross.

"We love having our own truck. It is fantastic to be able to move items whenever we need to," Skeet said. "We are grateful for the truck and all the other ways that Alcoa supports our work with Stanly County homeless."

The pickup truck allows Homes of Hope to more easily move families and pick up furniture donations.

"We used to have to borrow trucks from nice volunteers to pick up furnishings and to help our families move in and out of the houses," Skeet said. "Many times we would have to re-schedule because the truck we were borrowing was no longer available."

When Badin Works curtailed its operations in July 2007, the company sold most of its equipment and supplies. But Alcoa set aside several items to assist local non-profit organizations. In addition to the pickup truck, the company has donated a forklift to Stanly County Habitat for Humanity and a Chevrolet Suburban to the Land Trust of Central North Carolina.

"We could have sold the truck and made a little bit of money, but we'd rather give it to an organization that truly needs it," said Tommy Gibson, a community affairs manager for Alcoa. "I know Homes of Hope is putting the truck to good use helping families in need across Stanly County."

Homes of Hope is a partnership between Stanly County churches, social services agencies and health and human services organizations that provide short-term transitional housing and services for temporarily homeless families. It currently operates seven houses.

Alcoa receives sustainability kudos for fourth straight year

Alcoa was named as one of the most sustainable corporations in the world in the fourth annual Global 100 ranking of the top role models in sustainable business practices, announced in January at the World Economic Forum in Davos, Switzerland. Alcoa has been on the list every year since the ranking was started in 2005 and is the only U.S. based company named to the list from the Materials sector. Approximately one-third of companies on last year's ranking did not return in 2008.

The Global 100 looks at the environmental, social and governance performance of companies. The list was created by media company Corporate Knights of Canada and research firm Innovest Strategic Value Advisors, which compiles and analyzes 1,800 international companies and compares them to their sector peers, looking for the best in each class.

Alcoa's commitment to sustainability has a long history and is integrated into its business and operating practices, and community involvement. Alcoa, as a founding member of USCAP, is a leading proponent of legislation to reduce U.S. greenhouse gas emissions, and has actively participated in the U.S. Climate Policy Forum to assess national climate policy options from which federal policy might be created. In the community, Alcoa Foundation, throughout its 55 year history, has contributed nearly \$437 million improving the lives in communities in which the company operates.



This electronic newsletter is designed to keep the community informed about important issues related to the relicensing of the Yadkin Project.

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Balancing Energy Generation, Recreation *and* Environmental Resources