



Andrew M. Cuomo - Governor

Governor Cuomo Announces Agreement With Alcoa to Avoid Layoffs at Aluminum Manufacturer's Massena Operations

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Albany, NY (March 31, 2014)

Governor Andrew M. Cuomo announced today an agreement with Alcoa that will avoid layoffs at the aluminum manufacturer's Massena operations in connection with the company's plans to close its Massena East potlines by the end of this month.

"The news in January of Alcoa's plans to deal with the global changes in the aluminum markets led to immediate discussions with Alcoa to avoid layoffs and keep Alcoa's plans to modernize the East Plant on track," said Governor Cuomo. "This agreement achieves those objectives and applies firm job commitments that Alcoa must adhere to for its continued use of some of the lowest cost electricity in the country."

"I have seen firsthand after several visits to the Massena East plant just how integral a role Alcoa plays in the North Country, in sustaining families and carrying the economy," Lieutenant Governor Robert J. Duffy said. "Keeping jobs at Alcoa is vital to maintaining the region's continued growth and development, and I commend Governor Cuomo, NYPA, and our partners at Alcoa for their support in protecting and preserving these jobs, which have significant impacts in communities across the North Country."

Alcoa will invest in developing its future workforce and maintain the operations at its Massena West facility, including at least 750 jobs. At the same time, the schedule for a new modernized East facility is unchanged.

In the new agreement, which is supplemental to the previous one reached in 2009 and amended in 2011, the Power Authority will maintain Alcoa's hydropower supply contract of 478 megawatts (MW), assuring that the company has a full power supply once the new modernized facility comes on line. *(One MW would be enough electricity to meet the needs of 800 to 1,000 typical homes.)*

In the interim, NYPA will waive two utility charges on Alcoa's monthly power bills to support the viability of the company's Massena operations during a global downturn in the aluminum industry.

Alcoa will fund a workforce development training program of the highest caliber for current employees to train for high demand technical jobs that will be needed in the plant's future operations.

"The bottom line was to avoid layoffs," said Gil C. Quiniones, NYPA president and chief executive officer. "We made it clear that this was paramount for Alcoa to continue to be assured of its full low-cost power allocation from NYPA's St. Lawrence-Franklin D. Roosevelt Hydroelectric Power Plant. The fact that we've been able to reach a satisfactory accord reflects the recognition by the State of New York and Alcoa of the need to minimize the impact of the Massena East potlines closing and to rebuild this vital facility."

"It is hard to overstate the importance of Alcoa to the North Country economy," said Judge Eugene L. Nicandri, a NYPA trustee and Massena resident. "The State of New York under the Governor's leadership has negotiated a positive agreement that will steer clear of layoffs and help secure Alcoa's future in the years ahead."

"We are committed to Massena and have a vested interest in the success of this community, so the apprenticeship program is designed to have a meaningful impact on both its economy and its labor force," said John Martin, President of Alcoa Global Primary Products – United States. "We would like to thank the New York Power Authority, our unions, state, local and other stakeholders for their hard work and cooperation throughout this process. We appreciate their collective support in ensuring that Massena West remains competitive well into the future."

"Even though today signals the end of one smelting era at Massena East, Governor Cuomo's announcement today hopefully lays the foundation for a future smelting era in Massena," said David W. LaClair Jr., president, United Steelworkers Local 450-A. "The negotiations with the company provided opportunities for our members from both USW Local 450A and 420. The creation of the apprenticeship program and the merging of employees from East and West while avoiding layoffs, puts us in a stronger position for the future."

On Jan. 15, Alcoa announced that it would permanently close the remaining potlines at Massena East because they were no longer competitive in the current aluminum market where prices have dropped significantly.

Senator Patty Ritchie said, "Since first hearing about Alcoa's plans to shut down the East Plant, my concern has centered on preserving jobs and keeping Alcoa a vibrant part of the North Country economy. My sincere thanks to Governor Cuomo and his team at the New York Power Authority for standing up for our community by arriving at an arrangement with Alcoa to avoid layoffs and minimizing the impact of the East Plant's closing."

Senator Joseph Griffo said, "The newly announced agreement with Alcoa assures that current employees who haven't opted for the company's buyout package are safe. This is a great relief—not only for those employees but the entire North Country community. We're all grateful to Governor Cuomo and NYPA for supporting our region during a critical juncture."

Assemblywoman Addie Russell said, "The news in January of Alcoa's plans to close Massena East weighed heavily on our community. Thankfully, a balanced approach has been agreed to for moving forward to avoid layoffs and keep viable Alcoa's plans to build a new modern East Plant to replace the outdated one. I am very thankful to Governor Cuomo and the Power Authority for working closely with Alcoa on behalf of the North Country."

North Country Regional Economic Development Council Co-chair Tony Collins said, "Alcoa is a huge part of the local economy and protecting jobs is critical for a variety of business interests in the North Country. I am pleased to see that NYPA's low-cost power to Alcoa will continue to protect jobs as the company continues its efforts to construct and operate a new modern facility in Massena."

Robert McNeil, chairman, St. Lawrence River Valley Redevelopment Agency, said, "I appreciate the efforts of the Governor, Alcoa and the Power Authority to reach an agreement to help protect jobs in the North Country. By everyone working together, we can promote the long-term viability of Alcoa and ensure the company will continue to make aluminum in Massena for many years to come."

Massena Town Supervisor Joe Gray said, "Anything we can do cooperatively to maintain employment levels at Alcoa and make good use of NYPA's hydropower is positive news for Massena. We are still hopeful modernization will proceed on schedule. Until that is finalized, agreements like this are nothing but positive."

Massena Mayor James Hidy said, "This new agreement will allow for stable employment levels as Alcoa continues to move forward with the East Plant modernization to ensure the company's long-term future in Massena."

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