It's Alive!

Alcoa reopens Warrick Smelter.

Primary aluminum is a strategically critical industry for the U.S. and with the closures or curtailment of three-quarters of the primary aluminum production capacity in the past five years, the reopening of Alcoa Warrick's smelter is really big national economic news indeed.

There are only five primary aluminum smelters currently operating in the U.S. and not all of those smelters are operating at 100 percent capacity. With the reopening of Alcoa Warrick, making it the sixth primary aluminum smelter, 50 percent of the total U.S. capacity for primary aluminum will be located within one hour of Southwest Indiana.

See the press release below.

Alcoa Restarting Aluminum Smelting Operations in Indiana

NEWBURGH, Ind. (July 11, 2017) – Alcoa Corporation (NYSE: AA) announced plans today to restart three idled lines at its aluminum smelting facility in southwest Indiana, affirming its commitment to manufacturing in Indiana.

"With its decision to restart operations in Indiana, Alcoa is showcasing the value that this facility and Indiana’s manufacturing expertise provide to its global operations," Governor Eric J. Holcomb said. "In Indiana we’re witnessing incredible momentum as manufacturers continue to choose Indiana for growth, and we’re pleased that Alcoa once again chose Indiana."

The Pittsburgh-based company will invest between $30 and $35 million to restart the three lines supporting Alcoa’s existing rolling mill at the facility, which produces flat-rolled aluminum for the food and beverage market in North America. Alcoa is currently in the process of restarting the lines, which were previously shut down in March 2016, and plans to have them fully operational by the second quarter of 2018. Once operational, the lines will have an annual smelting capacity of 161,400 metric tons.

With the restart, the company plans to grow its current workforce of 1,250 associates by adding an additional 275 new jobs, including those who will be hired or recalled from layoff status. This includes an anticipated
196 new high-wage jobs for Indiana residents. These new positions are expected to pay an average wage that is more than 45 percent higher than the state average.

“By restarting a portion of the Warrick smelter, we will provide an efficient source of metal for the co-located rolling mill and help it meet an anticipated increase in production volumes,” said Tim Reyes, president of Alcoa’s aluminum business unit. “The action will enable us to more fully utilize the assets at this integrated site for the benefit of our investors, customers, employees and the community.”

The Indiana Economic Development Corporation offered Alcoa up to $2.4 million in conditional tax credits and up to $100,000 in training grants based on the company’s plans to add 196 new full-time jobs for Indiana residents. These incentives are performance-based, meaning until Hoosiers are hired, the company is not eligible to claim incentives.

"We are pleased that Alcoa is reopening their smelter in Warrick County," said Marlin Weisheit, president of the Warrick County Commissioners. "Warrick County has historically supported Alcoa in their efforts. Alcoa and its people have been excellent contributors to our community, and we are pleased they are strengthening their position in their marketplace".

Today’s news comes as Indiana’s unemployment rate stands at 3.2 percent, which is below the national rate and below the unemployment rate of all neighboring states. This low unemployment rate is supported by Indiana’s strong manufacturing industry, which is the second fastest growing in the nation. Today Indiana is home to the nation’s highest concentration of manufacturing jobs, with one in five Hoosiers employed in the industry.

About Alcoa
Alcoa (NYSE: AA) is a global industry leader in bauxite, alumina and aluminum products, built on a foundation of strong values and operating excellence dating back nearly 130 years to the world-changing discovery that made aluminum an affordable and vital part of modern life. Since inventing the aluminum industry, and throughout our history, our talented Alcoans have followed on with breakthrough innovations and best practices that have led to efficiency, safety, sustainability and stronger communities wherever we operate. Visit us online on www.alcoa.com, follow @Alcoa on Twitter and on Facebook at www.facebook.com/Alcoa.

About Warrick Operations
Alcoa Warrick Operations produces aluminum sheet for beverage and food can ends, tabs, and other flat-rolled aluminum products, including lithographic sheet. The facility is the world’s largest producer of coated container sheet and the only North American supplier of high-quality lithographic sheet. It also includes four coal-fired generating units with a combined net generating capacity of about 750 megawatts, including one unit co-owned with Vectren, a utility company headquartered in Evansville, Ind.

About IEDC
The Indiana Economic Development Corporation (IEDC) leads the state of Indiana’s economic development efforts, helping businesses launch, grow and locate in the state. Governed by a 15-member board chaired by Governor Eric J. Holcomb, the IEDC manages many initiatives, including performance-based tax credits, workforce training grants, innovation and entrepreneurship resources, public infrastructure assistance, and talent attraction and retention efforts. For more information about the IEDC, visit www.iedc.in.gov.

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