Exhibit No.:

Witness:

Type of Exhibit:

Issue:

Sponsoring Party: Case No.: Congressman Jason Smith

**Direct Testimony** 

Noranda Economic Impact Noranda Aluminum, Inc.

EC-2014-

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Noranda Aluminum, Inc.'s Request for Revisions to Union Electric Company d/b/a Ameren Missouri's Large Transmission Service Tariff to Decrease its Rate for Electric Service

Case No. EC-2014-\_\_\_\_

**Direct Testimony of Congressman Jason Smith** 

On behalf of

Noranda Aluminum, Inc.

December 12, 2013

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Noranda Aluminum, Inc.'s Request for Revisions to Union Electric Company d/b/a Ameren Missouri's Large Transmission Service Tariff to Decrease its Rate for Electric Service Case No. EC-2014-01

STATE OF MISSOURI

SS

COUNTY OF CAPE GIRARDEAU

#### Affidavit of Congressman Jason Smith

Jason Smith, being first duly sworn, on his oath states:

- 1. My name is Jason Smith. I am a Member of the United States House of Representatives, representing the 8<sup>th</sup> District of Missouri. My office address is 2502 Tanner Drive, Suite 205, Cape Girardeau, MO, 63703.
- 2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EC-2014-01\_\_.

3. I hereby swear and affirm that the testimeny is true and correct.

Jason Smith MEMBER OF CONGRESS

Subscribed and sworn to before me this 12 day of December, 2013.

**Notary Public** 

GLENDA NATIONS
My Commission Expires
January 23, 2017
Cape Girardeau County
Commission #13504607

1	Q	PLEASE STATE YOUR NAME AND ADDRESS.
2	Α	Jason Smith. My Cape Girardeau district office is located at 2502 Tanner Drive,
3		Suite 205, Cape Girardeau, MO, 63703.
4		
5	Q	WHAT ELECTED POSITION DO YOU HOLD?
6	Α	I am a member of the United States House of Representatives. I represent the
7		8th District of Missouri. Prior to serving in Congress, I was a member of the
8		Missouri House of Representatives, representing the 120 <sup>th</sup> district for about a
9		year, and the 150 <sup>th</sup> district for 7 years.
10		
11	Q	HOW LONG HAVE YOU SERVED IN THE UNITED STATES CONGRESS?
12	Α	I was elected to Congress in a special election held in June of 2013.
13		
14	Q	WHERE IS THE 8 <sup>th</sup> CONGRESSIONAL DISTRICT OF MISSOURI?
15	Α .	My district includes thirty counties in Southeast and Southern Missouri.
16		
17	Q	IS THE NORANDA ALUMINUM SMELTER LOCATED IN THE DISTRICT THAT
18		YOU REPRESENT?
19	Α	Yes, the Noranda smelter is in New Madrid County in Southeast Missouri and is
20		located in the district that I represent.
21		
22	Q	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
23	Α	My testimony will discuss the importance of the Noranda smelter to the
24		Southeast Missouri region that I represent in Congress.

25

1	Q	ARE YOU FAMILIAR WITH THE OPERATIONS OF THE NORANDA
2		ALUMINUM SMELTER IN SOUTHEAST MISSOURI?
3	A	Yes. I first became familiar with the Noranda plant when I served in the Missouri

5 is predicated upon low cost, reliable electricity.

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BASED ON YOUR FAMILIARITY WITH THE OPERATIONS OF NORANDA PLANT, AND YOUR UNDERSTANDING OF THE ROLE IT PLAYS IN THE ECONOMY OF SOUTHEAST MISSOURI, WHAT INFORMATION

WOULD YOU LIKE TO PROVIDE TO THE MEMBERS OF THE PUBLIC

legislature. I have toured the facilities, and understand that their business model

SERVICE COMMISSION REGARDING THE ECONOMIC

NORANDA'S OPERATIONS IN SOUTHEAST MISSOURI?

Noranda is one of the few large employers left in Southeast Missouri that provides good paying jobs to a large number of individuals, without preclusive education requirements. Noranda employs 970 employees in our area, making it one of Southeast Missouri's largest employers. These are high paying jobs with good benefits. The company provides steady, stable employment operating 365 days a year, and 24 hours a day.

Noranda has a major impact on the economy of Southeast Missouri. The folks who work at Noranda own homes, shop, and pay taxes. Its employees are leaders in their communities, they support schools and contribute to charitable organizations. Noranda alone pays 17.87 percent of the total property taxes collected in New Madrid County and 28.66 percent of the taxes paid for the New

1		Madrid County Central R-1 School District (2013 figures from the New Madrid
2		County Collectors Office).
3		
4	Q	HOW HAVE NORANDA'S CONTRIBUTIONS TO THE TAX BASE IN NEW
5		MADRID COUNTY BENEFITED THE COMMUNITY?
6	Α	New Madrid County has excellent public schools, due in part to Noranda's
7	•	contributions to the local tax base. Good public schools benefit the community
8		as a whole.
9		
10	Q	PLEASE DESCRIBE YOUR EXPERIENCE WITH ECONOMIC DEVELOPMENT
11		ISSUES.
12	•	Specifically, in Missouri's 95 <sup>th</sup> General Assembly I served on the "Committee on
13		Rural Community Development." Its purpose was to consider and report upon
14		bills and matters referred to it relating to policies to improve communities and the
15	· · · · · · · · · · · · · · · · · · ·	quality of life of citizens located outside of metropolitan areas and larger cities of
16	; 3	the state. In the 94 <sup>th</sup> General Assembly I served for a time as the Vice-Chairman
17		of the Special Committee on Job Creation and Economic Development. More
18		generally, as a state legislator, I have reviewed, discussed, and voted on various
19		pieces of economic development legislation for the last eight years in the
20		Missouri House of Representatives.
21		

22 Q BASED ON YOUR EXPERIENCE IN THE AREA OF ECONOMIC
23 DEVELOPMENT, WHAT CAN YOU TELL THE COMMISSION ABOUT THE
24 IMPORTANCE OF THE MANUFACTURING JOBS AT THE NORANDA PLANT

TO THE ECONOMY OF SOUTHEAST MISSOURI?

25

The manufacturing jobs at the Noranda plant are relatively better paying jobs with more benefits than many other jobs that are generally available in our area. Manufacturers like Noranda not only help the economy by hiring their own workers, but they also cause job growth in among the companies that sell them the products and services they need for production. With 970 good paying manufacturing jobs, Noranda is obviously very important to the economy of Southeast Missouri. Attracting manufacturing jobs to the state of Missouri is challenging. During the time I have served in public office, it has become increasingly difficult to attract manufacturers to this state and to retain the jobs we already have here. There are a number of reasons for that. Technological advances have made many manufacturing jobs obsolete. In addition, many U.S. manufacturers have moved their operations to foreign countries. Creating and retaining manufacturing jobs are both essential to the economy of Southeast Missouri.

Q

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# ARE THERE ANY ADDITIONAL COMMENTS YOU'D LIKE TO SHARE CONCERNING THE IMPORTANCE OF CONTINUING THE OPERATIONS OF THE NORANDA SMELTER?

There is no question that if the Noranda smelter were to close, it would have a huge impact on the economy of Southeast Missouri, and it is unlikely under current economic conditions we would be able to replace the lost jobs with similar high paying jobs. There is also a concern that should the Noranda smelter close, the U.S. would become even more dependent on imports from foreign companies for the aluminum we need. Noranda is currently one of only nine aluminum smelters remaining in the U.S. With a continued federal assault on

1	manufacturing through rules and regulations, it is important that Missour	i remair
2	a state government that is committed to supporting manufacturing.	
3		

### 4 Q DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

5 A Yes.