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Nominated for the Public Eye Award 2006 in
the category:

E N V I R O N M E N T

Nominated by: International Rivers Network,
Brazil

Alcoa

Headquarters:	Pittsburgh, Pennsylvania, USA
Branch of trade:	Mining, non-ferrous metals processing, energy generation.
Turnover/ Net profit 2004:	US\$ 23.5 billion / US\$ 1.4 billion
CEO:	Alain Belda
Owned by:	Publicly-traded corporation
Employees 2005:	131'000
WEF-Participant 2006:	yes

Summary

The International Rivers Network has nominated Alcoa, the world's largest producer of primary aluminium and alumina, for the Public Eye Award in the category "Environment" because of its participation in the construction of several dams which may have disastrous consequences for human beings and the environment. Repeated breaches of environmental standards in existing Alcoa production plants also justify the nomination. The International Rivers Network demands that Alcoa halt its construction of planned dams in the Brazilian Amazon and the Karahnjukar Hydropower Project.

Information on the case and characteristics of irresponsible corporate behaviour

For the production of primary aluminium, enormous amounts of electric power are necessary. The aluminium industry is the most electro-intensive of all industries. In order to generate the required power for aluminium smelters, huge quantities of fossil fuels must be burned, or alternatively, large hydroelectric dams must be built.

The US corporate group Alcoa is the world's largest producer of primary aluminium and alumina (13% and 25% of global production respectively). Alcoa owns numerous refineries and smelters in the Americas, Europe and Australia. In order to obtain cheap energy for aluminium production, Alcoa runs numerous coal-fired power plants and also takes part in the construction of hydroelectric power stations. By doing so, Alcoa repeatedly violates binding environmental standards as can be illustrated by the following examples:

As a consequence of constructing the Tucuruí Dam in the Brazilian Amazon, thousands of square kilometres of primary rainforest were flooded in order to generate energy for the Albrás, Alunorte and Alumar aluminium smelters. In southern Brazil, the construction of Alcoa's Barra Grande Dam

has been halted by a federal court order because the project's environmental impact study did not mention that 6'000 hectares of primary araucaria pine forest would be flooded. This species is threatened by extinction.

In numerous existing Alcoa production plants, the company repeatedly violated environmental provisions and was fined on various occasions. In 2003, Alcoa's plant in Rockdale, Texas, was ordered by the US Environmental Protection Agency (EPA) to cut sulphur dioxide and nitrogen oxide emissions by up to 95% and pay 4 million US\$ in compensation. For contaminating Texas' Lavaca Bay with heavy metals, Alcoa was ordered to pay compensation of 11.4 Million US\$. In Australia, the group has been fined for several violations, including the pollution caused by bauxite residue dust. In Kwinana, near Perth, environmental authorities withdrew the company's "Best Practice" environmental license after evidence showed that Alcoa had falsified dust monitoring results.

Consequences

In order to comply with the increasing demand for aluminium, Alcoa continually violates environmental standards, either in its bauxite mines, or while generating electric power for its smelters, or in the actual smelting process. The irresponsible energy production policy of this American multinational corporation imperils not only the environment, but also the health and livelihoods of local populations.

Current status and demands

Currently, Alcoa is engaged in several questionable dam projects. In Iceland, Alcoa's Karahnjukar Hydropower Project endangers Europe's second largest remaining wilderness area. This area is a biodiversity hotspot and a breeding ground for many birds. In Brazil, Alcoa wants to invest as much as 1 billion US\$ to participate in the construction of the Belo Monte Dam. In addition to flooding thousands of square kilometres of rainforest, this project also endangers the habitat of many indigenous people and will force 16'000 to relocate.

The International Rivers Network demands that Alcoa:

- halt its construction of planned dams in the Brazilian Amazon.
- stop the Karahnjukar Hydropower Project in Iceland, which in its current form should never be completed.

Detailed nomination: www.publiceye.ch/nominierungen

Further information and links:

- www.irn.org