



Governor Paterson Announces Globe Specialty Metals Has Reopened In Niagara Falls

State of New York | Executive Chamber
David A. Paterson | Governor

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Silicon Manufacturer Invested \$27 million and Created 138 Jobs in first phase of \$60 million Expansion

Project Expected to Create 500 Well-Paying Jobs on Completion

Governor David A. Paterson today announced that Globe Specialty Metals Inc., a leading silicon manufacturer, has reopened its Niagara Falls plant, investing \$27 million and creating 138 jobs as part of the first phase of a \$60 million economic development project. The company has restarted its two furnaces and has upgraded the equipment used to produce approximately 30,000 tons of metallurgical grade silicon each year. The Governor made the announcement today at Globe's Niagara Falls plant.

"During this difficult economic time, job creation and revitalizing the State's economy are my top priorities," Governor Paterson said. "With a talented workforce and high-tech companies like Globe Specialty Metals, which is helping us succeed in my 45 by 15 clean energy initiative, Western New York is positioned to lead the State into the new economy based on knowledge, innovation and technology. I am pleased to partner with Globe as it invests in Niagara Falls and in reopening its silicon manufacturing plant right here in Upstate New York."

Jeff Bradley, CEO of Globe Specialty Metals, said: "This investment, especially at a time like this, demonstrates Globe's confidence and optimism in the future and resilience of American manufacturing. The reopening of this facility would not have happened without the efforts made by the Governor of the State of New York, Empire State Development, New York Power Authority, Mayor Dyster and several local and state agencies, as well as the strong support received from the local community. This as an example of what can result from the collaborative work of various government, business and community organizations."

Under the Governor's leadership, Empire State Development (ESD) and the New York Power Authority (NYPA) created an economic development package in 2008 that provides Globe with 40 MW of hydropower over five years with a potential five-year expansion and up to \$25 million in Empire Zone benefits for up to 10 years, subject to achieving specified employment and investment targets. As part of the agreement, Globe will allow ESD to offer solar cell manufacturers up to 25 percent of Globe's upgraded metallurgical grade silicon (UMG-Si) production at a reduced price as an incentive to locate to New York State. This agreement is designed to fuel the development of the clean energy industry in Western New York, bringing additional jobs and capital investment and providing a foundation for New York to become a leader in the solar use and production industry.

Globe's initial investment of \$27 million is part of the first phase of a two-phase project. A significant portion of the company's capital investment is devoted to modernizing and improving emission controls equipment in order to meet or exceed all environmental standards. In addition, Globe has improved the appearance of the facility by demolishing old structures and removing unnecessary equipment.

Phase II of the project will include the construction of a new 100,000-square-foot, \$35 million facility in Niagara Falls to convert Globe's metallurgical grade silicon into 4,000 tons of upgraded metallurgical grade silicon each year – enough to produce 500MW of solar power. The new facility will position Globe as the leader in research and innovative production of UMG-Si. The project is expected to create a total of 500 well-paying jobs in Niagara Falls.

"We also want to welcome back Globe's workers and their union representatives from the United Steelworkers Union, who worked together with us to bring back former employees and find other solid candidates, many of whom formerly worked for manufacturers that recently downsized their workforce in the area," Mr. Bradley added. "We expect that this reopening will send a message to the business community that Western New York is open for business and we hope that it will lead to an expansion of our business and bring additional skilled manufacturing jobs to the area."

The solar industry is the highest growth sector in the CleanTech cluster. Most solar technologies require purified silicon, which is in high demand but is extremely scarce. Globe Specialty Metals will manufacture purified silicon at their Niagara Falls plant, which is expected to help attract major solar panel manufacturers to the State and the region.

Dennis M. Mullen, Empire State Development Chairman & CEO, designate, said: "As we continue to advance Governor Paterson's New Economy agenda, investment in technology and innovation will be the key to revitalizing the State and local economies. New York, and particularly Upstate New York, has a long, proud history of being a leader in manufacturing. Niagara Falls, as the Power City, has led the course in power-producing and low-cost hydropower for decades. As a result, there is tremendous capacity and infrastructure in this region to make it a leader in the new economy and the emerging CleanTech industry."

Richard M. Kessel, President and Chief Executive Officer of the New York Power Authority, said: "This allocation to Globe Specialty Metals utilizes low-cost, renewable hydropower to support the growth of clean energy jobs in New York State and is critical to building the State's solar industry and kick-starting the resurgence of the Western New York economy. Under the leadership of Governor Paterson, the New York Power Authority will continue its commitment to advancing the growth of the state's solar industry through this project as well as our Statewide 100 MW Solar project and photovoltaic projects with the University of Buffalo and the Niagara Frontier Transportation Authority."

Earlier this year, Oregon-based SpectraWatt Inc., a manufacturer and supplier of solar cells, established its first factory at the Hudson Valley Research Park in Hopewell Junction in Dutchess County after receiving an option to purchase 200 metric tons of Globe's silicon per year. As part of that agreement, SpectraWatt will hire 161 employees and invest over \$80 million in its new facility. New York State's silicon incentive is the only known government incentive in the United States offering silicon to solar cell manufacturers.

The State will also continue to develop incentives to attract clean energy industries to New York, advancing Governor Paterson's Renewable Energy Task Force recommendations. The hydropower used to produce solar grade silicon in turn will be used to create zero-emission solar energy, a true "Green-to-Green" energy economy with significant financial benefits, including the creation of hundreds of clean energy jobs.

Globe Specialty Metals Inc. is among the world's largest producers of silicon metal and silicon-based specialty alloys, which are critical ingredients in a host of industrial and consumer products with growing markets. Customers include major silicone chemical, aluminum and steel manufacturers, producers of photovoltaic solar cells and computer chips, the auto industry, ductile iron foundries and concrete producers. Globe has major manufacturing facilities in New York, Ohio, West Virginia, Alabama, Argentina and China, with the company's headquarters located in New York City. Principal operating subsidiaries are Globe Metallurgical, Inc., and Solsil, Inc., in the U.S.; Globe Metales S.A. in Argentina; and Ningxia Yonvey Coal Industry Co., Ltd., in China. Collectively, Globe's facilities have the capacity to produce approximately 110,000 metric tons of silicon metal and 72,800 metric tons of silicon-based alloy products on an annual basis.

NYPA is the United States' largest state-owned, nonprofit power organization, producing some of the lowest-cost electricity in North America. The agency has 18 generating facilities and over 1,400 circuit-miles of transmission lines that produce the power to help sustain more than 400,000 jobs across New York State. NYPA is a national leader in promoting energy efficiency and the use of renewable-fuel and clean-energy technologies. It finances its operations through the sale of bonds and revenues earned in large part through sales of electricity, without use of tax money or state credit.

Empire State Development is New York's chief economic development agency. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.nylovesbiz.com.

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The following statements were provided in support of the Globe Specialty Metals expansion project:

United States Congresswoman Louise M. Slaughter said: "The return of manufacturing companies to Niagara Falls is just what we need to breathe new life into our local economy and I'm delighted Globe is investing in our city to employ so many hardworking Western New Yorkers in the green economy of tomorrow. I was pleased to work with the Power Authority on behalf of Globe and applaud their decision that has opened the doors to a much-needed jump start for our regional economy."

Senator William T. Stachowski, Chairman of the Senate Committee on Commerce, Economic Development and Small Business, said: "I am very pleased that officials at Globe Specialty Metals, along with the New York Solar Energy Consortium, Governor Paterson, the New York Power Authority and Empire State Development Corp. worked together to bring about the reopening and expansion of Globe's Niagara Falls facility. By creating 500 much needed new jobs, this project will infuse millions into Upstate's struggling manufacturing industry. The facility will have an even greater economic impact as it will attract other solar panel manufacturers to Western New York and help make our region a major center for the production and research in the solar energy industry."

Senator Antoine M. Thompson said: "It is exciting to see this development nearing completion. This project demonstrates yet another way that New York is going green while creating good jobs in this tough economy."

Assemblywoman Francine DeMonte said: "The reopening of the Globe Metallurgical facility and the job creation that will accompany it is a welcome addition to the economic revitalization happening here in the Niagara Region. Our region has much to offer from low cost home grown power to a highly skilled, highly trained workforce. We welcome Globe back home and look forward to what will be a prosperous endeavor for both Globe and the Niagara Region."

Assemblyman Robin Schimminger, Chairman of the Assembly Committee on Economic Development, Job Creation, Commerce and Industry, said: "The re-opening of Globe Specialty Metals in Niagara Falls marks another high point of the work that the state in partnership with local officials and economic development agencies has done to bring much-needed high-tech jobs to Western New York. Today's event also launches Niagara County into the solar production industry. This step is an important one toward revitalizing our regional economy and moving the 'Green Collar' industry forward in Western New York."

New York State Department of Labor Commissioner M. Patricia Smith said: "The news of Globe Metallurgical once again making a home in Niagara Falls is further proof that Governor Paterson's vision of a green-oriented, innovation economy is becoming a reality. For quite a while now, the Department of Labor has been working closely with Globe to identify candidates for future jobs at the facility. Based on the feedback we've received so far, we know that Western New York has a highly-trained and qualified workforce and every one of these applicants is eager to get started."

Niagara Falls Mayor Paul A. Dyster said: "The City of Niagara Falls is working cooperatively with Globe Specialty Metals, Empire State Development and the New York Power Authority to write the next chapter of our city's industrial history: The Green, Renewable Energy Chapter. The first pages of this chapter will include one hundred new jobs as we gather today to celebrate the re-commissioning of the Globe facility. The opening of the Globe facility marks an exciting moment in the industrial history of the City of Niagara Falls as we enter the dynamic world of green, renewable energy."

Tom King, President of National Grid, said: "National Grid is pleased to have been part of the effort that will allow this facility to re-open in Niagara Falls. In addition to the prospects for increased local employment and significant financial investment in the community, we believe this effort has great potential to result in new and additional investment in related industries in New York. This speaks volumes about the effort of all parties, especially Globe and the State of New York."

Thomas A. Kucharski, President & CEO of Buffalo Niagara Enterprise, said: "We are very pleased to see this next step in the process of Globe's re-emergence in the Buffalo Niagara region. Besides the obvious benefits of their investment and job creation in the City of Niagara Falls and the valuable incentive created through their offering of solar grade silicon at discounted rates, they have been an active supporter and participant in BNE attraction efforts in the solar industry. I want to congratulate Globe Chairman Alan Kestenbaum and wish them many years of success in their new facility."

Richard E. Updegrave, Chair of the Niagara County Legislature Economic Development Committee, said: "We view Globe Specialty Metals as a significant economic development project in Niagara County and are excited about this renewable energy-related project, which promises to create up to 500 jobs and be the focus of up to \$60 million in investment in one of the most economically distressed areas of Niagara Falls and Niagara County. Right out of the gate, Globe has proven it wants to be a partner of the State of New York, through ESD, to help attract other renewable energy-related companies to Niagara County and New York State. They showed their commitment by offering to set aside up to 25% of the silicon produced at the Niagara Falls facility, and make it available at discounted rates to attract new solar panel manufacturers to our region. We look forward to a continuing relationship with the management team at Globe Specialty Metals, and to working with Globe and our economic development partners to grow the renewable energy sector and create clean jobs for Niagara County and New York State."

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Additional news available at www.ny.gov/governor/press

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