



U.S. Department of Justice

Antitrust Division

*City Center Building
1401 H Street, NW
Washington, DC 20530*

March 15, 2004

The Honorable Ollie M. Harvey
Mayor
City of Ripley
113 South Church Street
Ripley, West Virginia 25271

Re: *Public Comment on Proposed Final Judgment in United States v. Alcan Ltd., Alcan Aluminum Corp., Pechiney, S.A., and Pechiney Rolled Products, LLC, Civil No. 1:030 CV 02012 (D.D.C., filed Sept. 29, 2003)*

Dear Mayor Harvey:

This letter responds to your letter of February 9, 2004, which comments on the proposed Final Judgment (“Judgment”) submitted for entry in this case. The United States’s Complaint in this case charged that Alcan’s acquisition of Pechiney would substantially lessen North American competition in the sale of brazing sheet, a rolled aluminum alloy widely used in fabricating certain critical components of heat exchange systems (*e.g.*, heaters, air conditioners, and radiators) for all types of motor vehicles. The proposed Judgment would resolve those competitive concerns by requiring the defendants to divest Pechiney’s “brazing sheet business,” a term defined in the Judgment, § II(E), to include Pechiney’s entire aluminum rolling mill in Ravenswood, West Virginia, which, *inter alia*, produces all of the brazing sheet sold by Pechiney in North America.

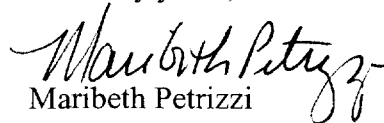
In your letter, submitted on behalf of Ripley’s Common Council, you noted that, in order to preserve local employment opportunities and retiree benefits, the Ravenswood facility must be divested to a firm that is, above everything else, competitively viable. The United States, of course, shares this concern, for a lynchpin of the proposed decree is its requirement that the Ravenswood facility be divested to a person who, in the United States’s judgment, is able to operate it successfully in competition with Alcan and others (*see* Judgment, § IV(J)). To that end, the proposed Judgment requires defendants to sell any tangible and intangible assets used in the production and sale of brazing sheet, including the entire Ravenswood facility, and any research, development, or engineering facilities, wherever located, used to develop and produce any product – not just brazing sheet – currently rolled at the Ravenswood facility. *See* Judgment, § II(E)(1)-(3).

Concern that there may not be an acceptable purchaser of these assets may be premature. Although the defendants have solicited offers for Pechiney’s brazing sheet assets, they have not selected a proposed purchaser. In the event the defendants are unable to find an acceptable purchaser

on their own, the proposed decree permits the Department of Justice to nominate, and the Court to appoint, a trustee responsible for conducting an independent search for an acceptable purchaser and selling Pechiney's brazing sheet assets "at such price and on such terms as are then obtainable upon reasonable effort" (Judgment, § V(B)). At this point in the divestiture process, however, it would be inappropriate to conclude that the defendants' – or if necessary, the trustee's – efforts to sell Pechiney's brazing sheet assets will not produce an acceptable, viable purchaser capable of vigorously competing in the development, production, and sale of brazing sheet in North America.

Thank you for bringing your concerns to our attention; we hope this information will help alleviate them. Pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(d), a copy of your comment and this response will be published in the Federal Register and filed with the Court.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Maribeth Petrizzi". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Maribeth Petrizzi

Chief

Litigation II Section



City of Ripley

113 SOUTH CHURCH STREET
RIPLEY, WV 25271
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Mayor

Ollie M. Harvey

Recorder

William E. Castle

February 9, 2004

Maribeth Petrizzi
Chief, Litigation II Section
Antitrust Division
United States Department of Justice
1401 H Street, NW
Suite 3000
Washington, DC 20530

Re: Pechiney Rolled Products/288322-00004

Dear Ms. Petrizzi:

On behalf of the Common Council we are concerned about the proposed divestiture of Pechiney Rolled Products under a consent decree provision in the settlement of Alcan's acquisition of Pechiney. This divestiture is causing concern among retirees who depend upon the continued operation of the Pechiney Rolled Products plant for payment of medical benefits.

I am Mayor of Ripley, West Virginia, a town near the plant, where many retirees live. The town has a \$3 million operating budget with a tax base that includes many citizens in the retiree group. The concern of the retirees is that a new owner of the plant will fail to operate the plant successfully, so that retirement benefits will be in jeopardy. Three of our council members are plant retirees, and, one is employed by Pechiney.

My husband, Don, is a retired employee of the Ravenswood Works with forty-two (42) years of service as a metallurgical engineer. Are we worried about the sale of the facility to a qualified owner who can successfully keep the plant operating - - very **definitely**.

For the protection of the current employees and the retirement group, the plant must be owned and operated by a company like Pechiney or Alcan that has the capacity to absorb costs of operation when the plant is unprofitable. The retirees observe similar situations where new owners take over plants and shut them down or renounce benefit obligations because the new owners can't afford to do otherwise.

Common Council

Curtis Anderson

David Brubaker

Don Henthorne

Russ Vannoy

Victor Yoak

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It is imperative for the life of this community that the Pechiney plant be owned and operated by a company committed to long-term production and employment. The plant must not be sold to a company that might have financing and good intentions in the short term but lacks the experience and facilities necessary to maintain operations into the future.

Very truly yours,

Ollie M. Harvey
MAYOR

OMH:isb

Cc: Governor Bob Wise
Senator Robert Byrd
Senator Jay Rockefeller