

Trust Issue #10

Keeping you updated on the issues facing the city.

The TRUTH is... WE ALL WANT AND NEED JOBS

HOW MANY JOBS, WHAT KIND OF JOBS

The latest number of jobs quoted in a Wings Enterprises advertisement in the local newspaper on March 19 states that there will be "1000's of jobs". The very last estimate that was quoted by Alberici Constructors at the last public hearing was that there would be 650 jobs in Crystal City, 950 total jobs. **That is not "1000's of jobs"**. And that job quote is up from 650 jobs because of "incomplete information", according to Alberici. The number of jobs has fluctuated in the range of 300 - 1000 over the last 18 months and will probably change again.

We have repeatedly asked what types of skills and types of requirements will be needed to fill jobs like these. In fact, in our list of questions that were delivered to the City Council at the Permit Hearing on March 2, 2009, we asked 15 pages of questions relating to the **unions and jobs**. We asked questions like, "will they be **union jobs**", "how many per facility", "what are the qualifications", "will residents be guaranteed jobs"? None of these were answered.



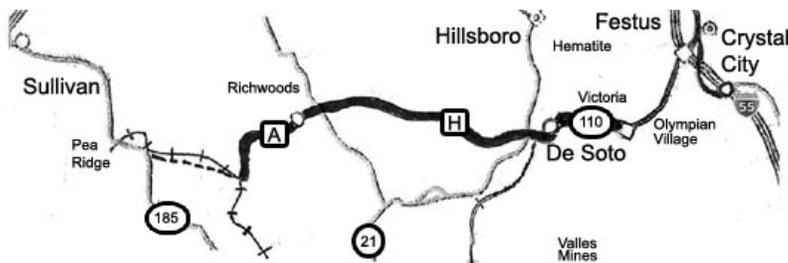
We also asked how many furnaces would be required and what the expected output levels of the processed iron pellets would be. Both of these factors contribute directly to the number of jobs that would be expected. These questions were not answered. In the beginning, Jim Kennedy from Wings Enterprises said that "if I do my job right there will be no union jobs". The construction work would probably be union. That is, **IF** there is construction work. Read on...

PROJECT IS JUST TOO RISKY

The facts show that parts of this project may be feasible and some are not. There are **three major components** of the smelter project, the iron reduction facility, the slurry pipeline and the barge port. The most realistic of the three is the barge port which, according to the number of parking spots needed for employees, would **include about 6 jobs**. But the most critical of the three, the slurry pipeline and the furnace for the iron reduction facility, introduce some serious doubt.

On February 24, 2006 Jim Kennedy stated in a letter to Tom Stehn, District Engineer of MoDOT, "**Without the pipeline system, the U.S. Market economics are marginal and the Chinese market is impossible. At this point, the future development of the Pea Ridge Mine will be contingent on the development of a pipeline system**".

On March 22, 2006 Bruce Murdick, Sr. Traffic Specialist for MoDOT wrote in a letter to Jim Kennedy, "We have reviewed your proposal to place a pipeline on Washington County Routes A and H right-of-way, by State Law the six foot utility corridor is reserved for public utilities, not private owned pipelines.... **We do not feel that your pipeline can be placed within the corridor without affecting them. Also MoDOT does not own right-of-way through the town of Richwoods.**"



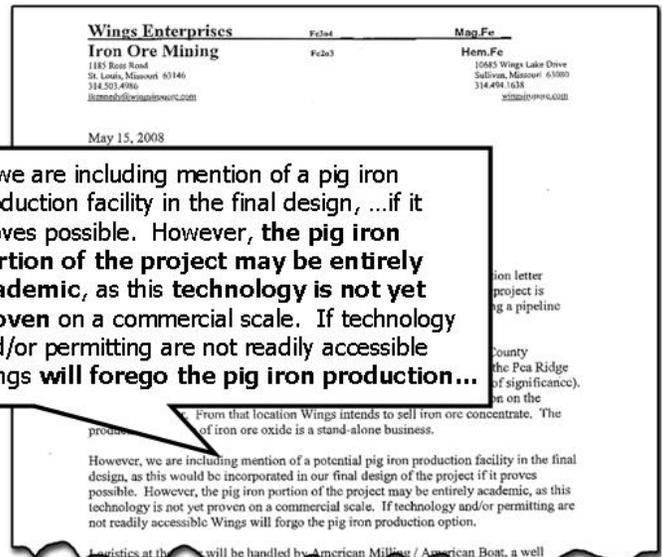
easements or outright purchases) to State Hwy A (Washington County) through Richwoods to State Hwy H (Jefferson County) to Hwy 110 across I-55 then into Crystal City or Doe Run. The Highway 110 to I-55 **path is unknown**.

Follow the directions on the map to the left. The pipeline leaves Pea Ridge and goes east either by rail or through private property, (11

On May 15, 2008 Jim Kennedy sent a letter to Kendall P. Hale, New Source Review Unit Chief, Jefferson City, Missouri. The purpose of this letter was to ask for a determination letter for the permitting. In that letter Jim Kennedy actually **admits** that **"the pig iron portion... is academic"**. See letter to the right.

Other risk factors include the large downturn in the demand for steel and iron. Two new steel plants in the southern U.S. have announced possible cutbacks in construction. Any permanent jobs for a facility like this would fluctuate in numbers as the market goes up and down in the future.

There are also no guarantees on the number of permanent jobs that would be available. Businesses exist to make a profit - not jobs. If this is as modern as they say it is, it will be highly automated and will require fewer jobs than traditional facilities like this.



INDUSTRY IN CRYSTAL CITY

The Mayor and his supporters keep saying that Crystal City is an industrial town and it will always be industrial. **We do not oppose industry.** We just question **"how much industry"** and **"what type of industry"** should be allowed. In January of 2008, the city rezoned the entire Mississippi riverfront as heavy industrial. The last comprehensive plan that the city adopted was in 1969 where it states, *"One of the most beautiful assets of Crystal City is the vast flood plain extending from the City to the Mississippi River... The plan proposes to put this flood plain into a conservation category ... which would retain it as basically open space"*. In June of 2006, James Pona & Associates recommended that the comprehensive plan be changed to support the rezoning. The recommendation was ignored. And when the DNR released the old PPG site they said that it could be used for industrial or commercial use.

One of the major problems that Wings Enterprises has with public support of the project is the word "smelter". The words "iron reduction facility" are used instead because smelters have a bad reputation for being dirty and smelly. And that is because – they are. This is arguably the dirtiest industry there is. Read on about protecting the community...

ULTIMATE RESPONSIBILITY FOR PROTECTION

There are many good things that the regulatory agencies, like the DNR and EPA, do to protect the environment. But there are also many things that are not their jobs and that would be the ultimate responsibility of Crystal City to enforce.

One of the more notorious episodes of regulatory mishaps is right up the river. The citizens that fought the 10 year battle in Herculaneum had this to say at a recent City Council meeting: *"The people of Missouri are not their customers. Their customers are the people who apply for the permits. It is like having the Fox watch the Hen House. Don't put your faith in either of these agencies, it's all political. Whenever there are any talks about anything to do with this [Wings] project, you will not even have a seat at the table"*. Mayor Schilly's response was: *"It's our system. This is the way it operates. Is it the most perfect system? Absolutely not, but it is our system"*. The current city administration is refusing to listen to the people that have lived through this and gained valuable experience about regulatory agencies.

At the Permit Hearing on March 2, 2009, one of the council members asked *"after all the conditions are set, who's responsibility is it to make sure that they are followed and watch over it"*? The Mayor's response was that it is ultimately the City's responsibility to control the tenant. **We need city officials that will protect the health and rights of the people of Crystal City.**

City Elections are Tuesday, April 7
Please know the facts and vote responsibly.

Visit www.clearpillar.com/trust.shtml for electronic versions of these Trust Issues that have links to the original documents referenced in this issue. Also check out www.clearpillar.com/video.shtml for the public hearing held on 3/2/2009 at the Crystal City Grade School.

A Better Future...Our Children Deserve It!

We are trying to keep the public updated as to what is going on in our city, but it is expensive with attorney's fees and flyers. If you should wish to contribute to the fight for open and honest government you may contribute online or at:

Concerned Citizens for Crystal City www.clearpillar.com
P.O. Box 584 636.931.0407
Crystal City, MO 63019 314.541.6983