

Exhibit No.:	
Issue:	Noranda Impact
Witness:	David Seamon
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Noranda
Case Number:	EA-2005-0180
Date Testimony Prepared:	Dec. 21, 2004

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Case No. EA-2005-0180

Prepared Direct Testimony of

David Seamon

On behalf of

Noranda Aluminum, Inc.

December 2004

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Application of Union Electric Company)
for a Certificate of Public Convenience and)
Necessity authorizing it to construct, install,)
own, operate, control, manage and maintain)
electric plant to provide electric)
service in New Madrid, County, Missouri, as an)
extension of its existing certificated area)

EA-2005-0180
Case No. GP-2005-_____

Affidavit of David Seamon

State of Missouri)
County of Cole) ss

David Seamon, of lawful age, on his oath states: that he has reviewed the attached written testimony in question and answer form, all to be presented in the above case, that the interest in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; that such matters are true to the best of his knowledge, information and belief.

David Seamon

David Seamon

Subscribed and sworn before me this 16th day of December, 2004

Laura L Hoskins
Notary Public

[SEAL]

My Commission expires: February 1, 2008

Laura L. Hoskins
Notary Public Notary Seal
State of Missouri
County of Cole
My Commission Expires 02/01/08

Before the
Missouri Public Service Commission

AmerenUE

Case No. EA-2005-0180

Prepared Direct Testimony Of David Seamon

1 **Q PLEASE STATE YOUR NAME AND POSITION PLEASE.**

2 A My name is David Seamon. I'm the Director of Business Development and
3 Training at the Department of Economic Development for the State of Missouri.

4 **Q WHAT IS THE SCOPE OF YOUR RESPONSIBILITIES IN THAT POSITION?**

5 A Well, in layman's terms I'm the State's chief business development officer and I
6 have additional responsibility for five overseas marketing offices scattered
7 between Asia, Mexico City and London.

8 **Q IN THAT POSITION ARE YOU RESPONSIBLE FOR DEVELOPING AN ECONOMIC**
9 **DEVELOPMENT STRATEGY FOR THE STATE?**

10 A Yes. I am responsible for developing the strategy and then executing it through
11 a 42-person staff.

1 **Q PLEASE DESCRIBE YOUR PLANS FOR A STRATEGY AS IT RELATES TO**
2 **MANUFACTURING.**

3 **A**The plans are twofold. The first is you increase frequency of manufacturing
4 investment around the state. We have divided the state into various regions
5 consistent with the economic patterns in each region. These are natural
6 designs as opposed to an approach imposed from the state capitol. We've
7 taken into account the unique marketable factors in each region. For example,
8 the rate of labor development is determined. That is, labor graduating from
9 the high school ranks in the communities and also those kids graduating from
10 the associate community college ranks. Wage rate and historic development
11 patterns are considered. All of the product factors that would help ensure that
12 we recruit the right type of manufacturing in a particular region are
13 considered.

14 The business recruitment process then is ongoing and there are two
15 components to it. One is active marketing on our part. That is, finding
16 manufacturers who fit a profile and through research we have identified some
17 that have a need for increased capital growth over a defined period of say two
18 to four years. The second is managing inquiries from firms that call the state
19 or have their consultant call the state in the search for a new manufacturing
20 site. All that falls under the heading of new business development.

21 The second major heading is retaining existing business. On the

1 manufacturing end that involves addressing the concerns of manufacturers
2 when they need to expand or are considering leaving a Missouri site to
3 consolidate operations somewhere in the U.S. or overseas. We address those
4 concerns by engaging them to understand the market dynamics that are causing
5 the need, causing the required shift of capital, and address those concerns to
6 the greatest extent possible. Sometimes it's increased workforce training as an
7 example. Other times it's increased incentives to improve the bottom line
8 cost. In some cases it's a need to identify the suppliers. This is relatively easy
9 and requires us to go out and aggressively recruit new suppliers in an area.
10 Some times it's the quality of workforce training which is done as well.

11 The other subcomponent of the retention effort is the need to ensure
12 that capital remains located in the community for a longer period of time. In
13 our case it is the window that ensures a positive state fiscal benefit. And
14 that's done by proactively engaging plant managers across a particular region
15 and then the state as a whole, to address their concerns before they reach the
16 point where the corporate office or the plant manager begin to contemplate
17 some movement of capital out of Missouri.

18 In a nutshell that describes the big picture, existing business, new
19 business and how we execute both strategies.

1 **Q IS IT EQUALLY AS IMPORTANT TO MAINTAIN THE EXISTING MANUFACTURING**
2 **BASE AS IT IS TO GET NEW BUSINESS?**

3 **A I would say it is more important because that is the capital that is already**
4 **invested. The cost of sales is much cheaper. It's the known customer etcetera**
5 **so that actually is more important than new business.**

6 **Q ARE YOU FAMILIAR WITH NORANDA ALUMINUM?**

7 **A I am, yes.**

8 **Q HOW WOULD YOU SAY THAT NORANDA FITS INTO THIS OVERALL STRATEGY?**

9 **A I would say that Noranda is the ideal customer - the target customer that we**
10 **seek to satisfy. They use a great deal of electricity, which can obviously have a**
11 **benefit to a local supplier. They hire a large number of people. Their supplier**
12 **base is quite broad. Their wages are better than average in the region. They**
13 **are the ideal customer that we seek to satisfy from a retention standpoint.**

14 **Q IS THERE ANYTHING ELSE THAT YOU WOULD LIKE TO SAY ABOUT NORANDA**
15 **AND THE STRATEGY?**

16 **A I would reiterate again to you that we seek to satisfy their concerns to the**
17 **greatest extent possible. This would be either through existing programs or**
18 **proposals to the legislature to create new Noranda-unique programs if required**
19 **to ensure their continued residence in Missouri. Again, they are a priority**

1 customer that we are determined to satisfy through new programs or existing
2 programs.

3 **Q** **THANK YOU MR. SEAMON. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A** Yes. You are welcome.