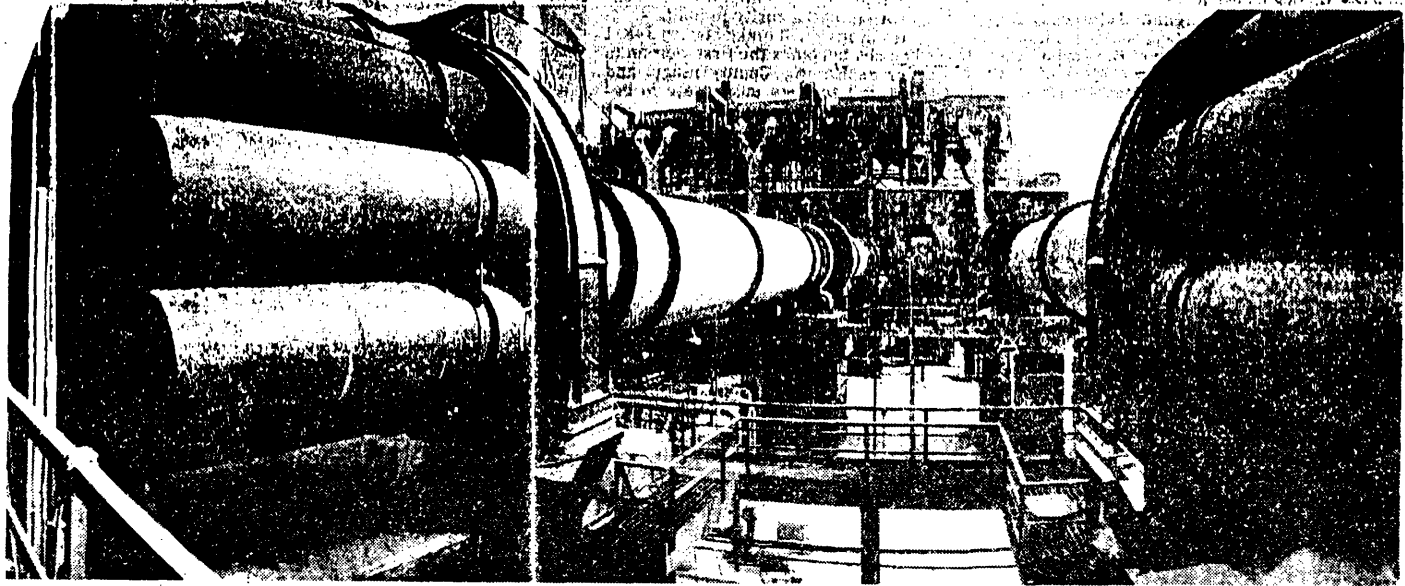




Giant kilns at city plant fired by natural gas rotate to dry alumina in final processing step

(Photos by John Best)

Reynolds is an open and shut story

By MIKE NORMAN
Business Writer

The Reynolds Metals operations in and near Corpus Christi are like the glass of water that is either half empty or half full, depending on your point of view.

On the one hand, the company's San Patricio Reduction Plant on the north side of Corpus Christi Bay has been shut down since 1975. The plant opened in 1952 to produce aluminum ingots; when it closed because of sharply rising natural gas prices, 950 people lost their jobs.

But on the brighter side of things, just next door to that plant is the Reynolds Sherwin Alumina Plant, still going strong with 920 employees.

And Reynolds' worldwide shipping activities have been based in Corpus Christi for 25 years, with another 40 people working at offices in the Petroleum Tower. It is the only shipping firm based here, and two of the company's six ships have Corpus Christi as their home port.

Company officials say they're still sure the San Patricio plant will reopen some day — just as soon as demand for aluminum is strong enough and the market price of the light metal is high enough to justify the operation.

"There is no doubt in our minds that we will reopen our plant," says current San Patricio Plant Manager Gene Dresen. "It's just a matter of time."

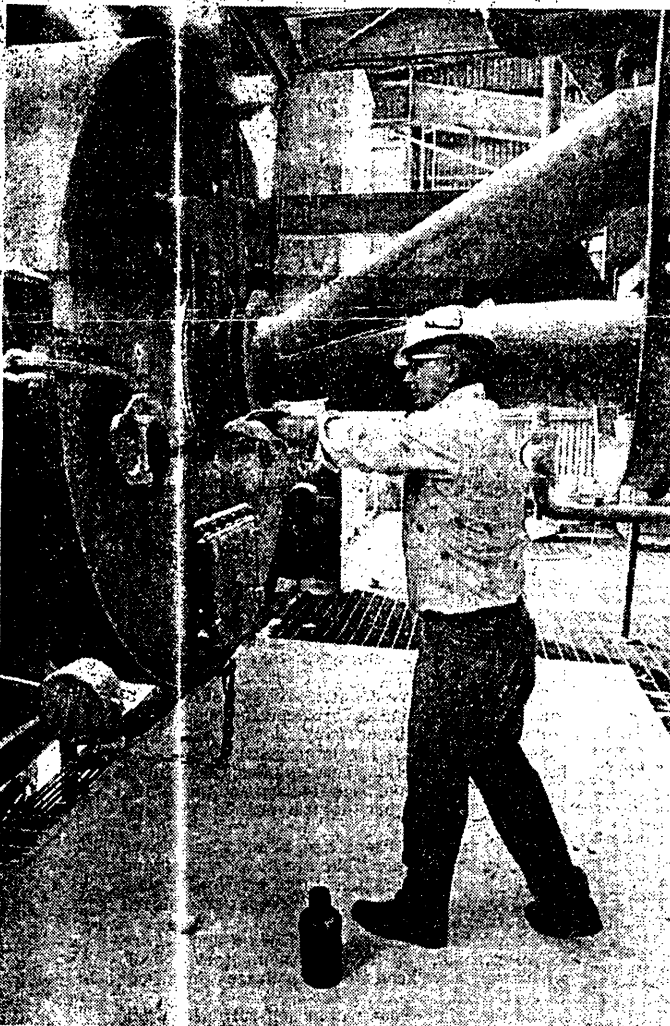
Just when that time will be, neither Dresen nor other Reynolds officials are ready to say. And they're careful not to build optimism that it will be soon.

The problem is that the plant uses 50 million cubic feet of natural gas every day when it is in full operation. That's more than four times as much as the entire city of Corpus Christi uses in an average day.

The San Patricio plant can't compete with plants in other parts of the country at the high cost of Texas natural gas today.

Reynolds has demonstrated its confidence in the San Patricio plant by installing more than \$30 million worth of pollution control equipment since the shutdown. That equipment now sits idle with the rest of the plant.

But the Sherwin Alumina Plant next door is different. Plant employees celebrated the plant's 25th anniversary here last summer. Many of them have worked there since the opening day.



Chuck Dunlevy prepares to take alumina from kiln

Called the "key plant" in the Reynolds aluminum-producing operations, the Sherwin plant transforms bauxite — red dirt scooped from the ground in Jamaica and Haiti — into aluminum oxide, or alumina, a fine white powder.

Alumina is further processed in reduction plants to form aluminum.

The bauxite — about 4.6 million tons of it each year — is scooped from Reynolds-owned mines and brought here in Reynolds-owned ships. The company's newest and biggest ship,

the 52,000-ton David P. Reynolds, arrives here every eight days from Jamaica with a load of bauxite.

The ships are equipped with systems to unload themselves at the dock next to the Sherwin plant. The bauxite travels to storage areas down a completely enclosed conveyor system surrounded by dust-collection devices, all aimed at fighting air pollution.

Just the same, the ground, the concrete driveways, the buildings and everything else on this side of the plant is covered with rusty red dust from the bauxite.

The idea behind the Sherwin plant's production process is simple.

"Bauxite is a mixture of insolubles and alumina," says Mort Handelman, a 25-year employee now working as a technical assistant. "We dissolve the alumina and reject the insolubles."

In practice, it's not that simple. First, the red bauxite dirt is ground into a fine powder and mixed with a caustic soda solution to form a slurry. That slurry is sent to digesters where, under high pressure and temperature, most of the alumina dissolves in the solution.

The slurry is then pumped to settling tanks where the insoluble mud settles out of the alumina-saturated solution.

The mud is pumped away, washed and deposited on farming areas north of the plant.

The alumina-saturated solution, called a "liquor" at the plant, is filtered to remove the last of the unwanted mud. Then it is sent to one of over 200 large "precipitator" tanks, where the alumina is removed from the solution.

The rust-colored liquor is still hot when it enters the precipitators. It is constantly agitated and cooled, and previously-produced alumina is added to it. This causes the alumina which had dissolved to fall out of solution.

From the precipitators, the wet, powdered alumina is sent to long, gas-fired kilns to be dried. The nine huge kilns rotate as they dry the alumina at temperatures around 2,700 degrees Fahrenheit.

At the end of the kilns, the alumina falls out in a fine snow. It covers this side of the plant, a white contrast to the red of the bauxite areas.

The alumina is stored in silos before being sent by ship, barge or train to reduction plants for processing into aluminum.

PLAINTIFF'S
EXHIBIT

RMC-321