



Contact: Robert F. Orr  
Phone: 919-838-5313  
Email: [orr@ncicl.org](mailto:orr@ncicl.org)

FOR IMMEDIATE RELEASE

#### DELL ANNOUNCES THE CLOSING OF ITS WINSTON-SALEM PLANT

October 7, 2009 – Winston-Salem, NC. - Dell will close its Winston-Salem computer manufacturing plant early next year. According to today's news release from Dell, approximately 905 employees will be affected by the closure, with about 600 to be released next month. The closure is expected to be completed quickly, with doors shutting within the next three months.

Justice Robert F. Orr, Executive Director of the N.C. Institute for Constitutional Law, was lead counsel in a lawsuit filed in 2005 on behalf of seven individual plaintiffs who questioned the constitutionality of the incentives granted to Dell. The lawsuit alleged that the State legislation and local resolutions passed by the Winston-Salem City Council and the Forsyth County Commission providing Dell with tax credits and other grants or subsidies violated the Commerce Clause of the U.S. Constitution, as well as various sections of the N.C. Constitution. The total incentives handout to Dell totaled approximately \$279 million. The lawsuit went to the N.C. Court of Appeals which determined in October of 2007 that "To the extent plaintiffs question the wisdom of the incentives and whether they will in fact provide the public benefit promised, they have sought relief in the wrong forum.... it [is] the role of the General Assembly and the Executive Branch— and not the courts — to determine whether such incentives are sound public policy."

In response to today's announcement, Orr remarks, "While strongly opposing the Dell incentives deal since it was announced, all of us regret the loss of the Dell plant here in NC and the impact that loss will have on the Winston-Salem community and the Dell employees and local suppliers. The closing, however, provides a stark and painful example of the folly of the incentives game engaged in by our state and local governments. No matter how big the incentive package, operational decisions by businesses headquartered out-of-state will be driven by corporate financial considerations and not by any sense of loyalty to the community being left behind. To the extent North Carolina state government and local governments feel compelled to invest in businesses through the use of incentives, those investments should be in smaller, local businesses and not in multi-billion dollar interstate and international businesses."

###

If you would like more information on this topic, please call Robert F. Orr at 919-838-5313 or email at [orr@ncicl.org](mailto:orr@ncicl.org).