



Chris Laszcz-Davis
KASRA President

Kaiser Aluminum Salaried Retirees Association

A MESSAGE FROM THE KASRA PRESIDENT

Dear Fellow Retirees/Surviving Spouses:

Every year in July, we hold our annual membership drive. Each of you will have received a letter from me accompanying the hard copy of the July newsletter indicating your current dues status. For those who already are KASRA members, we thank you for your continued support.

If you will be submitting a dues payment, please remember to indicate any change of contact information on the green “dues renewal” form provided. In this way, we can be sure to keep you informed on any matters arising on both KASRA and the VEBA. We invite those of you who have allowed your membership to lapse to rejoin us and those who have not been KASRA members to join.

The Board Members and Regional Directors of the Kaiser Aluminum Salaried Retirees Association (KASRA) are all volunteers. I’d like to thank them for their time, skill and enthusiasm in keeping things moving and interesting. Our Board Members include: **Ed Westerman, Paul Flores, Doug Mann, Klaus Adler, Ed Quinnan, Erach Tarapore and John Schnittker.** Without their help, none of our objectives this past year could have been met. We welcome **Steve Ping** who just joined the Board and will succeed Ed Westerman at year’s end.

It is with great sadness that we share with you that **Mert Van Dreser**, KASRA Board member, passed away recently. Those of us who were fortunate enough to have worked with him over the years remember a man who was a first-rate

human being, a team builder and a consummate professional. His thoughtful deliberations and “can do” approach to all Board activity will be missed.

Others who directly assist the KASRA efforts in a number of ways include: **Carlos Xavier, Dick Kauffman, Bob Irelan, Steve Abernathy, Joanne Gutierrez, Bill Alsup, Sally Hogarty, Carol Brown, Kari Dahlen, Sharon Fraetis** and **Michelle Alviso** of A-Mailing.

(President’s Message, continued Page 9)

New KASRA Board Member



Steve Ping

The KASRA Board welcomes new Board Member **Steve Ping** (Pleasanton, CA). Steve worked for over 24 years as a research engineer and later in several management positions at Kaiser’s Center for Technology (CFT) in Pleasanton, CA. After his retirement, he worked for the Viohalco Group, a large group of metal fabrication factories based in Athens, Greece. He is currently winding down his work for the company and plans to become a consultant in 2014. He has been married to Wendy Stewart Ping for 34 years.

Visit website at
www.e-kasra.com

Do you know a retiree who has not signed up for the VEBA? Suggest they call KASRA at (925) 685-1313 or email at kasra@e-kasra.com

WHAT'S GOING ON

Birthdays & Anniversaries . . .

Al Schroeck (Baton Rouge, LA) and his wife Shirley reached quite a milestone this May when they celebrated their 65th wedding anniversary. "We met in the 7th grade and have known each other for 73 years," says Al.

Henry Gally (Elizabethtown, PA) and his wife Martha traveled to Myrtle Beach, SC, in June to celebrate their 60th wedding anniversary. The two also love to go camping in their RV and have covered the United States from Alaska to Florida. Swimming in the ocean is a favorite exercise for Henry, who also volunteers, along with Martha, at their church, the local culture center and at community concerts.



Henry and Martha Gally have been married for 60 years.

A Little of This, A Little of That . . .

Gerry Carothers (Danville, CA), surviving spouse of **Theron Carothers**, keeps busy with travel, singing, ballroom dancing, serving as treasurer of her local Singles Dance Club and state secretary/treasurer of the Singles Clubs of California. She sang with the Blackhawk Chorus in London at the Queen's Jubilee last year and went on to sing in Ireland and Wales. When not performing, Gerry volunteers in the oncology department of Kaiser Hospital in Walnut Creek, CA.

Lilly Mitchell (Kettle Falls, WA) remembers her spouse **James W. Mitchell** fondly and recalls his exciting trip to India to help start up the Kaiser plant in that country. Now 92-years-old, Lilly prefers to stay close to home and only travel when necessary.



Al and Shirley Schroeck celebrated their 65th wedding anniversary.

Ninety-one-year-old **David Douglas** (Gerton, NC) enjoys keeping up with his children and grandchildren. The former Chalmette, LA, worker, who also worked at Kaiser's facilities in Germany and Ghana, West Africa, now stays closer to home because of peripheral neuropathy in his legs. But he finds plenty to do volunteering with the Boy Scouts and stamp collecting.

Linda Acosta (La Place, LA), the surviving spouse of **Lawrence Acosta**, remembers with gratitude the 37 years her husband worked for Kaiser. The couple had five children, one of whom has also passed away. **Aprina Leavy** (Oakland, CA) continues to keep busy with singing, dancing and exercising.

"I'm claiming the longest employment date of living former KACC employees," says William Weyer (Richmond, TX). William began his employment with Kaiser on July 8, 1946.

(What's Going On, from Page 2)

After more than 30 years, **Ingrid Lee** (Ripley, WV) was reunited with **Joe Gorman** (Morgantown, WV). "I worked with Joe in the fabrication engineering department at the Ravenswood, WV, facility," says Ingrid. "I heard he was recuperating from a stroke in the Ravenswood Care Center and decided to drop in to see him." Since her visit, Joe has been released from the Care Center and is recuperating at his home at Heritage Point in Morgantown, WV, 26505. "He would love to hear from old Kaiser friends," Ingrid adds.



Ingrid Lee (R) recently visited Joe Gorman (L) at the Ravenswood, WV, Care Center where he was recuperating from a stroke.

grandchildren.

Best Wishes . . .

Anna Carre (Bristol, Rhode Island), surviving spouse of **John Carre**, is having a difficult time dealing with the loss of her partner of 63 years. Hopefully, with the support of family and friends, she'll get through this difficult time.

Traveling Near and Far . . .

The fish were definitely biting for **Seldon Angus** (Sandyville, WV) when he went fishing at Spruce Knob Lake in Pendleton County, WV, in May. He and his wife plan to travel to San Diego, CA, in September for his grandson's wedding. Previously with Kaiser at Ravenswood, WV, Seldon also enjoys golfing, volunteering at the Sandyville Senior Center and at his church, and playing with his five great



Ravenswood Kaiser retirees had Jed Daniel, a member of the Board of Trustees managing the VEBA Plan, as a guest speaker at the May 23, 2013 luncheon held at Greenhills Country Club in Ravenswood, WV. Picutres (LR) are Board Members Keith Morgan, Hazel Parsons, Ruth Mick, Harold Osborne, Jed Daniel, Dave Whitman and Board President Bill Davis.

UPDATE ON ALUMINUM INDUSTRY

KASRA member Bob Irelan asked **Arvind Jain**, a veteran of 33 years in key positions in the aluminum industry, to share his insight into the industry, past, present, and future. Arvind spent 20 years with Kaiser Aluminum, starting as a senior operations research analyst, advancing through such responsibilities as business manager of flat rolled products, director of corporate planning and vice president of the alumina business unit. He joined Alcan in 2001, first as a consultant and then as its vice president of corporate strategy. In 2007, he was appointed vice president of strategy and investments for Rio Tinto Alcan (RTA), a position he held until his retirement this past April. He continues as a consultant to RTA. Here are questions we put to Arvind and his in-depth responses.

The aluminum industry has changed a lot in recent years. Can you bring us up to date?

Since the late nineties, the international aluminum industry has gone through three fundamental transformations – Consolidation, Globalization and the rise of China as the world’s aluminum superpower.

Consolidation: You are probably aware to some extent of the consolidation of the Western World aluminum industry that started in the mid-to-late nineties when Alcoa acquired Alumix of Italy, US primary metal producer Alumax, integrated US producer Reynolds, and Inespal of Spain.

By the early 2000s, Alcan tripled its industrial footprint by acquiring Alusuisse of Switzerland and Pechiney of France, and, in 2005, tore up the thesis of integration in aluminum by spinning off its commodity fabrication business, the



Arvind Jain gives an update on the aluminum industry.

largest in the world.

The global diversified mining companies were also major participants in the transformation of the aluminum industry. BHP acquired Billiton/Gencor of South Africa to become BHP Billiton. Vale of Brazil built its 6 million ton refinery Alunorte, the world’s largest and, in addition to its 40% stake in bauxite producer MRN, developed its Paragominas bauxite deposits in Brazil. Vale subsequently exited the aluminum business by selling its Brazilian aluminum assets to Norsk Hydro. Rio Tinto, Kaiser Aluminum’s former partner in Comalco, acquired Alcan for \$41 billion in 2007 in one of the largest M&A transactions in the metals and mining industry. Kaiser Aluminum, as we know, restructured itself into a niche, fabricated products producer. The surviving former Kaiser upstream facilities now belong to Rusal (20% of QAL, Alpart), Noranda (Gramercy, KBC), Century (Ravenswood smelting), and the Government of Ghana (Valco). The Ravenswood rolling mill is now part of Constellium, an aluminum fabricating

(Update, from Page 4)

company.

Globalization: The last two decades have witnessed the rise of national champions in the world aluminum industry. In Russia, Rusal consolidated the 2 million tonnes of heritage Soviet smelting capacity. In India, Hindalco (which many of you will recall was built by Kaiser Aluminum and India's Birla family in 1957) achieved global scale through a strong domestic growth program followed by the acquisition of Novelis. Middle East countries, long in energy and aspiring to be key players in smelting for decades, succeeded in expanding Dubal and Alba, the original smelters in the region, to capacities approaching a million tons each and building state-of-the art smelters in Oman, Abu Dhabi, Qatar and, most recently, Saudi Arabia.

The rise of China: As in many other economic spheres, the rise of the Chinese aluminum industry has been the global industry's most significant development of the last two decades. Starting with modest production of under a million tons in the early 1990s, China today accounts for nearly 50% of both world aluminum production and consumption of some 50 million tons. From the very beginning of its industrialization, China concentrated on developing its electric power capacity based on its vast coal reserves to underpin its ambitious agenda of industrial growth. With ample power available, China embarked on building its network of aluminum smelters and followed up with a massive expansion of its alumina capacity. While it also grew its domestic bauxite supply, China simply does not have enough of its own bauxite resources and continues to rely on imports in a major way. In 2013, China's bauxite imports are estimated to exceed 50 million tons. In parallel, Chinese companies developed their technology and



Doug Mann, Art Donaldson and Paul Kim share stories during the Bay Area luncheon on May 13 at the San Ramon Golf Club.

construction capabilities to the point that they are at or close to the industry's leading edge.

Current state of the industry:

The structural changes described above have had dramatic impacts on the world aluminum industry, reminiscent of the metal price collapse of the early nineties when the Western world was deluged by two million tons of "new" aluminum supply from Soviet-era smelters. While the fallout from the sudden supply of Russian metal to the West was resolved by implementing coordinated production cuts across the industry, the current situation is far more difficult for Western upstream aluminum companies, which are already burdened with high energy, labor, construction and regulatory costs and strong currencies in key producing regions such as Australia, Brazil and Canada. The majority of demand growth today occurs in China – a market where Western aluminum producers do not have a presence and which is supplied by strong domestic players with world class technology and construction capabilities. Simultaneously, with the London Metal Exchange (LME) established as aluminum's fully transparent terminal market and funds available at historically low interest rates, commodity players have executed "buy and hold"

(Update, continued Page 6)

(Update, from Page 5)

strategies resulting in record high metal inventories, now aggregating an incredible 11 million tons. The end result of these developments is an environment of continued low metal prices with no price recovery in sight. As of this writing, the benchmark LME 3-month price is \$1835/ton or under 50¢/lb. in 1990 money. At this level of metal prices, over 30% of smelting capacity is losing money – clearly unsustainable indefinitely. The one bright spot in this scenario of low metal prices is that Western aluminum fabricators are in a robust financial position with strong margins, supplying specialty products to transportation and packaging markets in particular.

Give us an overview on the current state of smelting and refining capacity.

The outstanding growth story by far in smelting and refining has been China. It has developed advanced technology and construction capabilities to build state-of-the-art domestic smelters and refineries much quicker than Western companies and at significantly lower cost. The key barriers to new capacity in the West continue to be power and capital for smelting and the availability of bauxite and capital for alumina. Modern smelting capacity in the Western world costs \$5,000/ton or more and a typical greenfield smelter has a capacity of at least 400,000 tons. Western greenfield alumina capacity is estimated to cost \$1,500/ton or more, and most refineries are planned to have capacity of 3 million tons or higher. It is interesting to note that virtually all

refineries built outside China in recent years have significantly exceeded their original budget and construction time estimates.

Does Aluminum continue to be a growth market? What are the most promising sectors?

Yes, aluminum continues to be very much of a growth market – in all its traditional end-use segments: packaging, transportation, construction and electric power. In fact, the long term outlook for aluminum growth has never been brighter, driven by the ongoing urbanization of billions of people in China, India, Latin America and Africa. In the short term, while no new market on the scale of the aluminum can, for example, has developed, aluminum continues to make steady progress in penetrating the automotive sector.

However, it is important to note that the center-of-gravity of aluminum consumption and production in the industry's second century has shifted ir-



Les Foster, Pam Peabody and Carol Hamm had a great time at Tacoma, WA's June luncheon.

(Update, continued Page 7)

(Update, from Page 6)

reversibly from the West to China today. China's dominance in aluminum has been inextricably linked to its becoming the world's ultimate manufacturer. While economic growth in North America and Europe is increasingly predicated on growth in services rather than in industrial production, China's industrial production (supporting both domestic infrastructure and exports) and, consequently, its demand for aluminum, continues apace.

What about aluminum's competitiveness with other materials?

As mentioned earlier, one positive result of structurally low aluminum prices in recent years has been the overall strengthening of aluminum's competitive position relative to other materials. While both steel and aluminum continue to have their own niches in automotive applications, aluminum's lighter weight is a definite advantage in a high fuel cost environment. Aluminum has a clear price advantage over copper (which China is short of) because copper's price is no less than four times higher than it was ten years ago. You have no doubt read about



John Fowler and Carol Brown at the Bay Area's May luncheon.

composite material being the latest material being used in aircraft. This is unlikely to be a huge issue for total aluminum demand given that aerospace accounts for less than 2% of total aluminum demand and that many types of aircraft will continue to be made of aluminum for the foreseeable future

Where are the most promising locations for new aluminum smelters today?

As always, the key to aluminum smelting is the availability of abundant, inexpensive power. This single fact makes Middle East countries, particularly Saudi Arabia, Algeria and possibly Libya, choice locations for greenfield smelter development. Assuming political risk becomes manageable over time in countries such as Venezuela post Chavez and Cameroon and the Democratic Republic of the Congo with their large hydropower potential, these locations could well become the new frontiers for aluminum smelting.

What is the future for a fabrication company such as the new Kaiser Aluminum?

Aluminum fabricators, as I said, are enjoying their day in the sun in the current low metal price environment. While the new Kaiser Aluminum's scale is unlikely to ever match that of the company we all knew, there is no doubt that it will continue to prosper as a high quality fabricator focused on supplying niche aerospace and extrusion aluminum products primarily to US markets.

Send KASRA Your News & Pictures

Write us your news, travels, stories... humorous tales welcome. Send a note to Sally Hogarty, P.O. Box 84, Canyon, CA 94516 or sallyhogarty@gmail.com.

* Photos encouraged.

A HUMBLING EXPERIENCE

By Bill Snider
(Newark, OH)

I got a call on a Wednesday evening telling me that one of the veterans could not go on the Honor Flight that coming Saturday. Since I had entered the forms some two years ago, my name came up to fill a vacancy. Even though it was short notice, it was a definite yes from me.

The Honor Flight Network, (HFN) is a non-profit organization created solely to honor America's Veterans for all their sacrifices. Honor Flight Network transports the heroes from all across the country to Washington, D.C. so that they may visit and reflect at their memorials as well as the Arlington National Cemetery.

My daughter Deb and son-in-law Harvey



Bill Snider at the monument for Korean War Veterans in Washington, D.C.

took me to the Columbus Airport at 4:30 AM on Saturday. There were HFN volunteers all over the place. I was ushered into a registration table where I was greeted with "Good morning Colonel Snider. Thank you for your service." I donned my new T-shirt and proceeded toward the music. The Reynoldsburg High School Dance band played, Glenn Miller, Tommy Dorsey, and other WWII era music. Most of the Veterans were

from WWII and were several years older than I. Every one of us had an escort to take care of our every need. My escort was a 25-year-old schoolteacher. He had been on the flight eight times and was very helpful. We flew to the Baltimore, MD, Airport where we were greeted by a throng MD, of Midshipman and HFN Volunteers. We boarded three large buses and were off to the WWII Memorial.

This memorial is like nothing you have ever seen. It is located on one acre plus between the Washington and the Lincoln Memorials. It is a huge circle of columns dedicated to the 56 States and Territories and DC. There were over 700 Veterans attending from all over the US. One hundred and fifty Vets from Alabama were wearing red hats. Others had different color t-shirts. It was easy to spot the groups.

We visited the Lincoln, U.S. Navy, Marine, Vietnam, American Nurses, and U.S. Air Force Memorials. The Korean Memorial brought tears as I observed the 19 men on patrol in a field wearing those damn ponchos. They were great protection in the rain from head to just below the knees. If you stand away from the men in the field, you can see 19 more in the reflecting wall. The total 38 representing the 38th parallel where the boundary between North and South Korea still exists.

There are no words to describe our experience at Arlington Cemetery where we observed the changing of the guard. There were 500 people gathered around, and you could have heard a pin drop. The Guard is present 24 hours a day no matter what the weather brings.

When we arrived back in Columbus, OH, everyone was rather quiet and somber af-

(Bill Snider, continued Page 9)

(Bill Snider, from Page 8)

ter the all-day experience. But, when we marched down to baggage claim, a roar of well-wishers welcomed us home. The first group that greeted us was dressed as Revolutionary Soldiers with everyone extending hands and thanking us for our service. I really lost it when my daughter Deb, her friends, and my grandson David greeted me.

This Honor Flight is an experience that I will never forget. I was never in com-

bat or overseas, but I was active until the Cease Fire in June of 1953. I came home to my wife Mary Ann and 24 days later my daughter Deborah was born. I served for 28 years in the 37th and 38th Divisions and The Army Reserve. I was always in the artillery. My last assignment was as the Assistant G-2 (intelligence) for the Ohio State Staff. I retired in grade 0-5, Lieutenant Colonel. During all of this time, I was with Kaiser Aluminum at the Newark Works for 40 years.

(President's Message, from Page 1)

I would be remiss if I did not also mention and thank the regional directors and reporters – **Charlie Alexandre** (Bristol), **Tom Summerson** (Spokane), **Tim Healy** (Erie), **Dan Petruss** (Mead), **Bob Mohr** (Tacoma), **Bob Eisenbach** (Baton Rouge), **Norm Manger** (Los Angeles), **Chuck Schimmel** (New Orleans), **Bill Snider** (Newark), and **Dave Whitman** (Ravenswood) --for keeping the Board informed of news in their respective regions and for their efforts in providing us photos of their regional events for the KASRA website. And finally, thank you to the many KASRA members who have shared their lives with us in the “What’s Going On” section of the newsletter.

By now, all eligible and enrolled members of the Kaiser Aluminum Salaried Retirees VEBA will have received a letter from the VEBA Board of Trustees advising them of the \$2,250 maximum qualified benefit for the year 2013. You have until December 31, 2014 to file your claim for the 2013 benefit. We take this opportunity to thank the volunteer VEBA Trustees **Art Donaldson**, **Jed Daniel** and **Doug Allen**. Please also remember you have until December 31, 2013 to file your claim for the

2012 maximum benefit of \$2,100. If you have a change in your mailing information, please advise not only KASRA, but also the VEBA administration as this is key to ensuring you are kept informed of VEBA matters. Their address is as follows: Delta Fund Administrators, LLC, P.O. Box 2308, Stockton, CA 95201 – 2308, Telephone: (Toll Free) (888) 344-8322, Email: VEBA@Deltafund.com.

We love to hear how you are doing and what you are doing. You can do this by completing the enclosed “What’s Going On” form and returning it to us. You should note that this and other forms can be downloaded from our website (www.e-kasra.com). We encourage you all to visit this website which also contains other useful information, including past newsletters and photos of your fellow retirees and their spouses.

Until our next newsletter, stay active and healthy!

Chris

Chris Laszcz-Davis
President, KASRA

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KASRA Board of Directors

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We're on the Web!
See us at:
www.e-kasra.com

July 8, August 5 Los Angeles
Lunch is usually held at noon on the first Monday of each month and is normally held at The Elephant Bar, 1403 Firestone Ave., La Mirada. Contact Bob O'Leary at (714) 898-7463 to confirm.

July 11, August 8, September 12 Mead
Lunch - 11:30 a.m. at Cathay Inn, North Division St. Contact Danny Petrus (509) 483-2171 or dpjr70@comcast.net.

August 13 Newark
Meet 11:00 a.m. at Stacy's Hometown Buffet, Heath. Meal is paid for by the Newark Plant. Contact Bill Snider at (740) 403-8327 or colbill44@rooadrunner.com.

August 24 Belpre
Lunch noon at Western Sizzlin Steak House, Lubeck/Ravenswood exit, Parkersburg. Visitors welcome. RSVP to Betty Lou Blair at (304) 489-1337 or bettylou13@suddenlink.net.

August 29 Ravenswood
Lunch noon at Green Hills Country Club in Ravenswood. Contact Lee Corder at (304) 273-9457 or Dave Whitman at (304) 273-5548 or dwhitman@firefox.com.

September 4 Chalmette
Lunch 11:30 a.m. at La Rosetta Tratoria, 348 Robert Blvd. Slidell. Cost \$20.00. Contact Chuck Schimmel at (985) 643-0437 or schimcol@aol.com.

In Memoriam

Winifred E. April - Concord, CA

*Forest D. "Frosty" Bauman
Leesburg, FL*

*Perce (Bud) W. Bolmer Jr.
Hot Springs Village, AR*

Edward A. Falls - Mt. Pleasant, MI

Robert D. Flint - Rome, NY

Howard Kenneth Justus - Post Falls, ID

*Robert H. Leinwebber
Spokane Valley, WA*

Lennon J. McAdams - Santa Fe, NM

Michael J. McCarthy - Parkersburg, WV

Elmer F. McDaniel - Shelton, WA

*Anthony V. "Tony" Milcetic
Frostburg, MD.*

Harvey W. Roth - Modesto, CA

*Alvin Ray Spears
New Smyrna Beach, FL*

Please inform us of a retiree or spouse passing. Include date of death, city and state, and first name of surviving spouse. If possible, a copy or link to the obituary or name of the newspaper would be helpful. Contact Klaus Adler, 1127 Rachele Rd., Walnut Creek, CA 94597 or (925) 935-2938 or kcharlie34@comcast.net.

The Board of Directors expresses its deepest sympathy to families and loved ones.



Enjoying a great lunch at Chalmette's June luncheon at La Rosetta Tratoria in Slidell, LA, are (back row) Dot Asher, Martin Cross and Jerry Mullett and (front row) Jennielee Allain and Linda Duhe.