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## **Steelworkers “Turn Up the Heat” on Kaiser Aluminum for Failure to Comply With BPA Power Contract**

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Minneapolis -- The United Steelworkers of America (USWA) announced today the kick-off of a new grassroots campaign targeting Kaiser Aluminum's failure to live up to its contractual obligations in the resale of cost-based power purchased from the Bonneville Power Administration (BPA).

David Foster, USWA District 11 Director, stated, “Unlike the other aluminum companies in the Pacific Northwest, Kaiser Aluminum has chosen to pocket the entire windfall it receives from reselling BPA power. Rather than using part of its enormous profit to continue paying full wages and benefits to all laid-off workers at its aluminum smelters, to benefit area ratepayers, and to reinvest in its Pacific Northwest plants, once again Kaiser Aluminum is operating in isolation and demonstrating bad corporate citizenship.”

The Steelworkers will begin to circulate today tens of thousands of postcards in the Pacific Northwest calling upon US Secretary of Energy Spencer Abraham to hold Kaiser Aluminum accountable to its BPA power contract.

“Today we will begin to distribute to local unions, community groups, churches and synagogues, and public officials a postcard that asks people to write and call Secretary Abraham and urge him to make Kaiser live up to its contract,” said Dan Russell, President of USWA Local 329. “Folks who are familiar with our two-year struggle against Kaiser's illegal lockout understand that we have a sea of supporters throughout the region who will mobilize on our behalf. Kaiser should not underestimate the power of the public when it comes to holding corporations accountable for their actions.”

BPA officials have publicly acknowledged that Kaiser has an obligation to keep much of the profits of BPA power sales in the community—by continuing to pay full wages and benefits for the workers laid-off as a result of the company's decision to sell its BPA power allocation and by

investing the windfall to improve its plants.

The terms of the Remarketing Addendum of Kaiser's 1996-2001 BPA contract require Kaiser Aluminum to use remarketing proceeds for only the following purposes (quoted verbatim):

- “(1) To purchase power in the October 1, 2001, through September 30, 2006, period to help maintain smelter operations at Kaiser's Pacific Northwest plant(s);
- (2) To mitigate the impact on employees affected by reduced smelter operating levels;
- (3) To offset cancellation penalties and other costs of reducing obligations for alumina and other materials; and
- (4) To cover fixed operating costs the company demonstrates cannot be reduced as operating levels are reduced.”

“Kaiser hereby agrees that if it uses revenue from remarketing for any other purpose other than those listed above, BPA may reduce the amount of power specified in section 4 of this Agreement. The amount of such reduction shall be commensurate in value with the amount of revenues used for purposes other than those listed above.”

In a February 6, 2001, letter to the Pacific Northwest Congressional Delegation (attached), Foster wrote:

Most aluminum companies have attempted to react in a responsible fashion to the power needs of the region, ratepayers, their employees and their own long-term business needs.

Such companies include Golden Northwest Aluminum, ALCOA, Reynolds, Michigan Avenue Partners, and Columbia Falls Aluminum Company. Each of these companies has reached an agreement with the Bonneville Power Administration and its employee representative, the United Steelworkers of America, to: 1) share the economic benefits of remarketing federal BPA-produced power with ratepayers, 2) keep laid-off employees' whole, and 3) reinvest their share of power proceeds in building new generating sources or purchasing future power.

In contrast, Kaiser Aluminum has made no provision to share its windfall profit with ratepayers, announced no plans to reinvest in new generating capacity, and largely abandoned its work force.

Although it will bank huge gains from its power sales, Kaiser refuses to pay workers laid-off as a result of the power sales their full wages and benefits. Under agreements bargained years ago between Kaiser and the USWA, some senior laid-off employees at Kaiser's Mead and Tacoma, Washington smelters will receive Supplemental Unemployment Benefits (SUB) but in no case more than 28 hours' worth per week, well short of full pay. Kaiser insists that almost 300 laid-off Steelworkers receive no additional protection from Kaiser's record-breaking profits.

In addition to its legal commitment to the workers, the Steelworkers are also calling on Kaiser Aluminum to invest in future power generation and to give something back to the ratepayers. Jim Woodward, USWA Sub-District Director in Auburn, WA, declared, "Because BPA is a publicly owned asset, Kaiser needs to follow the lead of the other aluminum companies and commit to investing in a new power generating capacity that is environmentally sound. Otherwise, we will continue to face in the future the same kind of power catastrophes that have devastated our region during the last year."