

Congress of the United States
Washington, DC 20515

January 29, 2009

Mr. Klaus Kleinfeld, Ph.D.
Chief Executive Officer, President and Director
Alcoa, Inc.
201 Isabella Street
Pittsburgh, Pennsylvania 15212-5858

Dear Dr. Kleinfeld:

On October 12, 2007 Alcoa announced that it had been awarded a 10 year, \$360 million contract by Lockheed Martin for the supply of advanced patented alloy aluminum die forgings for the F-35 Joint Strike Fighter (JSF) program. This work was subcontracted by Lockheed Martin to Alcoa Forged and Cast Products in Cleveland, Ohio.

In September 2008 union employees of Alcoa Forged and Cast Products in Cleveland, Ohio (Alcoa Cleveland) were notified that Alcoa's 50,000 ton press had cracked rendering the press inoperable. It is our understanding that Alcoa has the option to fix the press at a cost of approximately \$68 million which would keep Alcoa in compliance with subcontracting obligations to Lockheed Martin. We further understand that if Alcoa fixes the inoperable press, Lockheed Martin will extend the duration of the subcontract for an additional 10 years and the State of Ohio will offer multi-million dollar tax incentives.

Fixing the press would allow approximately 1,200 valuable jobs to remain at Alcoa Cleveland. However, it appears that despite the current incentives being offered to Alcoa for fixing the press the company is also requiring union concessions including: a two year wage freeze; a drastic reduction in health care benefits for current employees that would double employee's out of pocket health care costs; revocation of "5 day talk" language currently in the union's contract for any grievance not settled through arbitration that would undermine worker's right to strike; and a freeze in benefits for all new hires. Alcoa is reported to be considering the purchase of Shultz Steel Company of California as an alternative to fulfilling its subcontracting responsibilities with Lockheed in the event that the union concessions are not met. Schultz Steel does not use union labor.

We understand that reasonable concessions from employees may be in the best interest of the company's financial health. However, whether intentional or not, it would be alarming if Alcoa created a false choice for highly skilled and valuable employees who must now choose between losing their jobs and agreeing to concessions that undermine their health and financial stability. We urge you to find a mutually agreeable compromise.

Sincerely,



Dennis J. Kucinich
Member of Congress



John P. Murtha
Member of Congress

CC: Lockheed Martin