

April 4, 2007

Alain J.P. Belda
Chairman and Chief Executive Officer
Alcoa
390 Park Avenue
New York, NY 10022

Dear Alain:

We are writing to bring your attention to matters concerning a proposed new Chinese labor law, and to urge that Alcoa affirm its belief in the fundamental rights of workers around the globe.

As you may know, a major debate is underway in China on a proposed Draft Labor Contract Law. The Draft Labor Contract Law would provide some minimal standards that are commonplace in many other countries, such as enforceable labor contracts and negotiations over workplace policies and procedures.

The Draft Labor Contract Law does not go far enough in protecting the rights of Chinese workers. It would not provide Chinese workers with the right to independent trade unions with leaders of their own choosing and the right to strike.

Notwithstanding its inadequacies, this proposed law is a significant improvement over current Chinese labor law. Indeed, it could encourage workers to organize to demand the enforcement of the rights that the law offers.

It is therefore a great tragedy that segments of the business community have attempted to seriously undermine the draft law. The American Chamber of Commerce in China (AmCham China) has stridently opposed China's Draft Labor Contract Law since it was released in April 2006. Alcoa, through Alcoa (China) Investment Company, Ltd., is a member of AmCham China.

In a 42-page comment to the Chinese government, AmCham China made a veiled threat that its members would leave China if the law is passed. The comments state that the law may "reduce employment opportunities for PRC [People's Republic of China] workers" and "negatively impact the PRCs competitiveness and appeal as a destination for foreign investment."

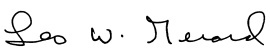
Unfortunately, the Chinese government has been responsive to AmCham China's efforts to undermine the draft law. The Chinese National People's Congress Legal Affairs Committee recently issued a revised draft of the law that weakens a number of the prior draft's provisions. AmCham China is still not satisfied. According to a document leaked to labor advocacy group Global Labor Strategies, AmCham China has secretly submitted to the Chinese government detailed comments which include demands to change many of the worker protections still incorporated in the revised draft of the law.


The United Steelworkers (USW) and the Australian Workers' Union (AWU) are hopeful that Alcoa has not been directly involved in efforts to undermine China's Draft Labor Contract Law. AmCham China's efforts here are clearly contrary to Alcoa's Vision & Values, its Principles and its Human Rights Policy as discussed in Company documents. However, given that Alcoa is a member of AmCham China, and given the seriousness of this matter, we believe it is urgent that Alcoa publicly distance itself from AmCham China's attempt to undermine the proposed law that would bolster some fundamental rights of Chinese workers.

China is clearly significant to Alcoa's global strategy. Also, with 15 operating locations in China, Alcoa has a significant voice in Chinese affairs. Alcoa has used that voice to advance progressive causes, including by calling for action on climate change at a sustainability forum in Beijing. We strongly urge Alcoa to also use its voice in China to affirm the fundamental rights of Chinese workers.


The Chinese National People's Congress is expected to address the draft law in April or June of 2007, so we ask for your rapid attention to this matter.


Please address any reply to this correspondence to jrobinson@usw.org and to Paul.Howes@awu.net.au.


Leo W. Gerard
International President, USW


Jim Robinson
Director District 7, USW
USW Chairman for Alcoa

Sincerely,


Bill Shorten
National Secretary, AWU


Paul Howes
National Vice President, AWU
National Organizer for Alcoa