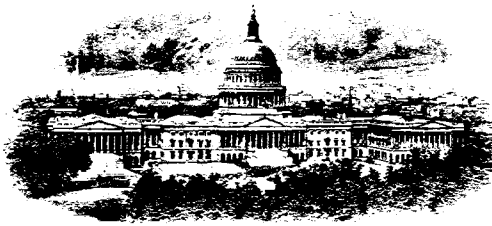


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Congress of the United States
House of Representatives
Washington, D.C. 20515

INTERNATIONAL RELATIONS COMMITTEE
Ranking Democratic Member

GOVERNMENT REFORM COMMITTEE

Subcommittee on Energy Policy,
Natural Resources and Regulatory Affairs

Subcommittee on National Security,
Veterans' Affairs and International Relations

Cochair, Permanent United States
Congressional Delegation to the
European Parliament

Member, United States
Congressional Delegation to the
NATO Parliamentary Assembly

Cochair, Congressional
Human Rights Caucus

Member, United States Holocaust Memorial Council

November 21, 2003

Mr. Steven A. Burd
Chairman, President and Chief Executive Officer
Safeway Inc.
5918 Stoneridge Mall Rd.
Pleasanton CA 94588-3229

Dear Mr. Burd:

Your letter to Northern California Safeway customers reminds me of Mark Twain's observation that "there are three kinds of lies: lies, damn lies, and statistics."

In your "Message from Safeway to our Customers," you have clearly gone for the big stuff. You state that your company has "asked employees to pay a small portion of their premium for health care coverage - just \$5 dollars a week for individual employees and \$15 a week for employees and their families."

Even if you include the \$26.4 million that employees would co-pay, I understand that Safeway's offer would under-fund the current health care program by \$679 million over three years. In addition to this massive underpayment, Safeway proposes to establish an unfair two-tiered health care system that establishes two categories of employees. It is misleading to suggest that you are asking for a fair share when you would completely undermine health care benefits your employees will earn.

I have reviewed Safeway's benefit funding proposal for new hires as outlined on your company's web site. Your proposal will not provide any substantial health benefits for new employees, and, as new hires replace current workers, turnover will eliminate affordable, family health benefits. Your proposal specifically directs that benefits be cut and/or employee costs be increased without limit. Given the meager company funding proposed and current health care costs, it is obvious that your intent is to eliminate health benefits in the future. I note that your proposal for new hires does not anticipate a \$5 to \$15 a week employee co-pay.

You conveniently ignore the impact of segregating new hires from current employees on the benefit funding for the now current employees. As employees are replaced, the funding base for those now current employees will continue to shrink until benefits have to be cut or co-pays have to be increased well beyond the \$5 to \$15 a week. Comprehensive, affordable family health benefits simply cannot be maintained under your proposal.

Mr. Burd, it appears that your company is lying to workers, consumers and the public. The bottom line is that 70,000 jobs that now come with affordable, family health coverage will not come with that coverage in the future. Hundreds of millions of dollars will be taken out the pockets of working families, and out of the Southern California economy into corporate coffers. If you succeed in Southern California this year, I know you will be making the same demands in Northern California next year.

Safeway workers have made their company one of the most profitable and successful supermarket operations in the world. Safeway workers have earned the right to affordable health care and a decent wage. I ask that you stop misleading the public, that you withdraw your unreasonable demands to gut health care benefits, and that you return to bargaining in good faith and reach an agreement that provides dignity, living wages and comprehensive health benefits for working families. These workers have helped make billions in profits for Safeway. Do the right thing and settle the strike now.

Cordially,

A handwritten signature in black ink that reads "Tom Lantos". The signature is written in a cursive, slightly slanted style with a long horizontal stroke at the beginning.

TOM LANTOS
Member of Congress