

ALLEGHENY TECHNOLOGIES INC

Form 11-K

June 28, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**þ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED]**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

**o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 [NO FEE REQUIRED]**

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-12001

THE 401(K) PLAN
(Title of Plan)

ALLEGHENY TECHNOLOGIES INCORPORATED

(Name of Issuer of securities held pursuant to the Plan)

1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479
(Address of Plan and principal executive offices of Issuer)

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Audited Financial Statements and Supplemental Schedule
The 401(k) Plan
Years Ended December 31, 2010 and 2009
With Report of Independent Registered Public Accounting Firm

The 401(k) Plan
Audited Financial Statements
and Supplemental Schedule
Years Ended December 31, 2010 and 2009
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Report of Independent Registered Public Accounting Firm

Allegheny Technologies Incorporated

We have audited the accompanying statements of net assets available for benefits of The 401(k) Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2010, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP
Pittsburgh, Pennsylvania
June 28, 2011

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The 401(k) Plan
Statements of Net Assets Available for Benefits

	December 31 2010	2009
Investments at fair value:		
Interest in registered investment companies	\$166,199,013	\$ 46,906,166
Interest in synthetic investment contracts	38,800,091	40,782,215
Corporate common stocks	33,176,158	26,747,190
Interest-bearing cash and cash equivalents	7,279,981	4,418,272
Interest in common collective trusts	1,041,553	91,220,421
 Total investments at fair value	 246,496,796	 210,074,264
 Notes receivable from participants	 14,504,120	 13,320,262
Contribution receivable	1,625,130	1,481,354
	16,129,250	14,801,616
 Net assets available reflecting investments at fair value	 262,626,046	 224,875,880
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,179,760)	(425,521)
 Net assets available for benefits	 \$261,446,286	 \$224,450,359

See accompanying notes.

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The 401(k) Plan
Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31	
	2010	2009
Contributions:		
Employer	\$ 7,148,485	\$ 6,838,483
Employee	15,012,930	13,397,141
Rollovers	738,384	724,619
Total contributions	22,899,799	20,960,243
Interest income on notes receivable from participants	775,767	776,105
Investment income:		
Net gain from interest in registered investment companies	19,517,135	11,668,069
Net gain on corporate common stocks	6,804,408	12,400,208
Net gain from interest in common collective trusts	1,938,008	16,475,142
Interest income	446,036	575,345
Other income	1,289,117	1,807,191
Total investment income	29,994,704	42,925,955
	53,670,270	64,662,303
Distributions to participants	(16,271,624)	(17,004,340)
Administrative expenses and other, net	(402,719)	(545,287)
	(16,674,343)	(17,549,627)
Net increase in net assets available for benefits	36,995,927	47,112,676
Net assets available for benefits at beginning of year	224,450,359	177,337,683
Net assets available for benefits at end of year	\$261,446,286	\$224,450,359

See accompanying notes.

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The 401(k) Plan
Notes to Financial Statements
December 31, 2010

1. Significant Accounting Policies

Use of Estimates and Basis of Accounting

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The financial statements are prepared under the accrual basis of accounting.

Investment Valuation

Investments are reported at fair value. Fully benefit-responsive investment contracts held by a defined contribution plan are reported at fair value in the Plan's statement of net assets available for benefits with a corresponding adjustment to reflect these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

Recent Accounting Pronouncements

In September 2010, the Financial Accounting Standards Board (FASB) issued changes to reporting and disclosure requirements for loans to participants. Participant loans are required to be measured at their unpaid principal balance plus any accrued but unpaid interest, and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The changes are effective for the fiscal year ended December 31, 2010, and are required to be applied retrospectively. There were no changes to the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

In January 2010, the FASB issued changes to disclosure requirements for fair value measurements, including the amount of transfers between Levels 1 and 2 of the fair value hierarchy, the reasons for transfers in or out of Level 3 of the fair value hierarchy, and activity for recurring Level 3 measures. In addition, the changes clarify certain disclosure requirements related to the level at which fair value disclosures should be disaggregated with separate disclosures of purchases, sales, issuances and settlements, and the requirement to provide disclosures about valuation techniques and inputs used in determining the fair value of assets or liabilities classified as Level 2 or 3. The Plan adopted the disclosure changes effective January 1, 2010, except for the disaggregated Level 3 rollforward disclosures, which will be effective for fiscal year 2011. The adoption of these changes did not have a material impact on the Plan's net assets available for benefits or its changes in net assets available for benefits.

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The 401(k) Plan
Notes to Financial Statements (continued)

2. Description of the Plan

The 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The purpose of the Plan is to provide retirement benefits to eligible employees through Company contributions and to encourage employee thrift by permitting eligible employees to defer a part of their compensation and contribute such deferral to the Plan. The Plan allows employees to contribute a portion of eligible wages each pay period through payroll deductions subject to Internal Revenue Code limitations.

Qualifying employee contributions are partially matched by the respective employing companies that are affiliates of Allegheny Technologies Incorporated (ATI, the Plan Sponsor). Depending upon the particular employing company and the bargained or non-bargained status of the employee, the employer matching contribution percentages vary from 50% to 100% of the employee contributions. Employer matching contributions under the Plan are further subject to maximum match percentages ranging from 3.5% to 7% of pay, and some matches are subject to a flat \$1,000 annual limit.

Employees at certain employing companies receive an employer contribution, regardless of the employee's own deferral rate, consisting of either (a) 6.5% of the employee's compensation, or (b) a contribution based upon hours worked, which ranges from \$0.25 per hour to \$0.50 per hour.

An employer flat annual dollar contribution may also be paid into the Plan based upon the employee's years of service, which ranges from \$100 for 0 to 4 years of service up to \$2,500 for 35 or more years of service depending upon:

(a) the particular employing company, (b) the bargained or non-bargained status of the employee, (c) the employee's date of hire, and/or (d) the employee maintaining a minimum deferral rate of 2%.

The specific conditions and criteria governing eligibility for the various employer contributions are set forth in the plan documents.

The Plan allows participants to direct their contributions, and contributions made on their behalf, to any of the investment alternatives. Unless otherwise specified by the participant, contributions are made to the QDIA (Qualified Default Investment Alternative), The Vanguard Target Retirement Fund that most closely matches the participants 65th birthday date (e.g. Vanguard Target Retirement Income 2020 Fund). Separate accounts are maintained by the Plan Sponsor for each participating employee. Trustee fees and asset management fees charged by the Plan's trustee, Mercer Trust Company, for the administration of all funds are charged against net assets available for benefits of the respective fund. Certain other expenses of administering the Plan are paid by the Plan Sponsor.

Participants may make in-service and hardship withdrawals as outlined in the plan document.

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The 401(k) Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Participants are fully vested in their entire participant account balance, except that those employees receiving an employer contribution of 6.5% of their compensation regardless of their own deferral rate, vest in such 6.5% contributions upon completing three years of service.

Active employees can borrow up to 50% of their vested account balances minus any outstanding loans. The loan amounts are further limited to a minimum of \$500 and a maximum of \$50,000, and an employee can obtain no more than three loans at one time. Interest rates are determined based on commercially accepted criteria, and payment schedules vary based on the type of the loan. General-purpose loans are repaid over 6 to 60 months, and primary residence loans are repaid over periods up to 180 months. Payments are made by payroll deductions.

Further information about the Plan, including eligibility, vesting, contributions, and withdrawals, is contained in the plan document, summary plan description, and related contracts. These documents are available from the Plan Sponsor.

3. Investments

The BNY Mellon Stable Value Fund (the Fund) invests in guaranteed investment contracts (GICs) and actively managed structured or synthetic investment contracts (SICs). The GICs are promises by a bank or insurance company to repay principal plus a fixed rate of return through contract maturity. SICs differ from GICs in that there are specific assets supporting the SICs and these assets are owned by the Plan. The bank or insurance company issues a wrapper contract that allows participant-directed transactions to be made at contract value. The assets supporting the SICs were comprised of government agency bonds, corporate bonds, asset-backed securities (ABOs), a common collective trust (CCT), and collateralized mortgage obligations (CMOs).

Interest crediting rates on the GICs in the Fund are determined at the time of purchase. The Fund had no GIC investments for the periods presented. Interest crediting rates on the SICs are either: (1) set at the time of purchase for a fixed term and crediting rate, (2) set at the time of purchase for a fixed term and variable crediting rate, or (3) set at the time of purchase and reset monthly within a constant duration. A constant duration contract may specify a duration of 2.5 years, and the crediting rate is adjusted monthly based upon quarterly rebalancing of eligible 2.5 year duration investment instruments at the time of each resetting; in effect the contract never matures.

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The 401(k) Plan
Notes to Financial Statements (continued)

3. Investments (continued)

Average yields for all fully benefit-responsive investment contracts for the years ended December 31, 2010 and 2009 were as follows:

	Years Ended December 31	
	2010	2009
Based on actual earnings	3.01%	3.67%
Based on interest rate credited to participants	2.90%	3.55%

Although it is management's intention to hold the investment contracts in the Fund until maturity, certain investment contracts provide for adjustments to contract value for withdrawals made prior to maturity.

Certain investments Funds are subject to restrictions or limitations if the Plan Sponsor decided to entirely exit a Fund. Investments in registered investment companies and the Fund may require at least 30 days prior notice to completely withdraw from the investments. The targeted date fund investments held in common collective trusts currently do not require the prior approval of the investment manager if the Plan Sponsor decides to entirely exit these investments, but prior trade date notification is necessary to effect timely securities settlement or delivery of a Fund's liquidation and transfer to another Fund.

The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2010 and 2009:

	December 31	
	2010	2009
Allegheny Technologies Incorporated common stock	\$33,176,158	\$26,747,190
Vanguard Institutional Index Fund**	27,969,497	
Vanguard Target Retirement 2015 Fund**	15,466,553	
Alliance Bernstein Small Mid Cap Value Fund	14,921,346	12,369,537
Vanguard Target Retirement 2025 Fund**	14,192,254	
Vanguard Target Retirement 2020 Fund**	14,148,780	
State Street Global Advisors S&P 500 Flagship SL Fund*		26,448,747
State Street Global Advisors Target Retirement Income 2015 SL Series* Fund		12,618,825

* Current year presented for comparative purposes only

** Prior year presented for comparative purposes only

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The 401(k) Plan
Notes to Financial Statements (continued)

3. Investments (continued)

Investments in SICs at contract value that represent 5% or more of the Plan's net assets were as follows:

	December 31	
	2010	2009
Monumental Life Ins. Co. Constant Duration SIC *	\$12,571,315	\$11,823,749
Rabobank Constant Duration SIC*		11,542,271

* *Current year presented for comparative purposes only*

4. Fair Value Measurements

In accordance with accounting standards, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value.

The accounting standards establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Determination of Fair Value

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon models that primarily use, as inputs, market-based or independently sourced market parameters, including yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. In addition to market information, models may also incorporate transaction details, such as maturity. Valuation adjustments, such as liquidity valuation adjustments, may be necessary when the Plan is unable to observe a recent market price for a financial instrument that trades in inactive (or less active) markets. Liquidity adjustments are not taken for positions classified within Level 1 (as defined below) of the fair value hierarchy.

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The 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Valuation Hierarchy

The three levels of inputs to measure fair value are as follows:

Level 1 Quoted prices in active markets for identical assets and liabilities.

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Valuation Methodologies

The valuation methodologies used for assets and liabilities measured at fair value, including their general classification based on the fair value hierarchy, includes the following:

Cash and cash equivalents Where the net asset value (NAV) is a quoted price in a market that is active, it is classified within Level 1 of the valuation hierarchy. In certain cases, NAV is a quoted price in a market that is not active, or is based on quoted prices for similar assets and liabilities in active markets, and these investments are classified within Level 2 of the valuation hierarchy.

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The 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Corporate common stocks These investments are valued at the closing price reported on the major market on which the individual securities are traded. Substantially all other common stock is classified within Level 1 of the valuation hierarchy.

Common collective trust funds These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in a market that is not active and classified within Level 2 of the valuation hierarchy.

Registered investment companies These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. Where the NAV is a quoted price in a market that is active, it is classified within Level 1 of the valuation hierarchy. In certain cases, NAV is a quoted price in a market that is not active, or is based on quoted prices for similar assets and liabilities in active markets, and these investments are classified within Level 2 of the valuation hierarchy.

Corporate debt instruments, U.S. government and federal agency obligations, U.S. government-sponsored entity obligations, and other Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. When quoted market prices for the specific security are not available in an active market, they are classified within Level 2 of the valuation hierarchy.

Synthetic investment contracts Fair value is based on the underlying investments. The underlying investments include government agency bonds, corporate bonds, ABOs and CMOs. Because inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, synthetic investment contracts are classified within Level 2 of the valuation hierarchy.

The following tables present the financial instruments carried at fair value by caption on the statements of net assets available for benefits and by category of the valuation hierarchy (as described above). The Plan had no assets classified within Level 3 of the valuation hierarchy.

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The 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

There were no reclassifications of assets between levels of the valuation hierarchy for the periods presented.

Assets measured at fair value on a recurring basis:

December 31, 2010	Level 1	Level 2	Total
Interest in registered investment companies (a)	\$ 166,199,013	\$	\$ 166,199,013
Interest in synthetic investment contracts (b)		38,800,091	38,800,091
Corporate common stock (c)	33,176,158		33,176,158
Interest-bearing cash and cash equivalents	7,279,981		7,279,981
Interest in common collective trusts (d)		1,041,553	1,041,553
Total assets at fair value	\$ 206,655,152	\$ 39,841,644	\$ 246,496,796

- a) This class includes approximately 31% U.S. equity funds, 6% non-U.S. equity funds, 6% balanced funds, 50% target date funds, and 7% fixed income funds.
- b) This class includes approximately 23% government and government agency bonds, 22% corporate bonds, 26% residential mortgage-backed securities, 11% commercial mortgage-backed securities, 4% short-term investments, and 14% asset-backed securities.
- c) Comprised of ATI common stock.
- d) This class includes approximately 100% fixed income funds.

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The 401(k) Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

December 31, 2009	Level 1	Level 2	Total
Interest in registered investment companies (a)	\$46,906,166	\$	\$ 46,906,166
Interest in synthetic investment contracts (b)		40,782,215	40,782,215
Corporate common stock (c)	26,747,190		26,747,190
Interest-bearing cash and cash equivalents	4,418,272		4,418,272
Interest in common collective trusts (d)		91,220,421	91,220,421
Total assets at fair value	\$78,071,628	\$132,002,636	\$210,074,264

- a) This class includes approximately 42% U.S. equity funds, 19% non-U.S. equity funds, 19% balanced funds, and 20% fixed income funds.
- b) This class includes approximately 13% government agency bonds, 19% corporate bonds, 28% residential mortgage-backed securities, 14% commercial mortgage-backed securities, and 26% asset-backed securities.
- c) Comprised of ATI common stock.
- d) This class includes approximately 69% target date funds, 29% U.S. equity funds, 1% non-U.S. equity funds, and 1% fixed income funds.

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated July 12, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended, is qualified and the related trust is tax-exempt. The Plan was most recently amended effective June 20, 2010.

The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The earliest tax year open to U.S. Federal examination is 2007.

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The 401(k) Plan

Notes to Financial Statements (continued)

6. Plan Termination

Although it has not expressed any intent to do so, the employing companies have the right under the Plan to discontinue their contributions at any time and to terminate their respective participation in the Plan subject to the provisions of ERISA. However, no such action may deprive any participant or beneficiary under the Plan of any vested right.

7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risk such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

If the Plan were deemed to be in violation of ERISA or lose its tax exempt status, among other events, the issuers of the fully responsive investment contracts would have the ability to terminate the contracts and settle at an amount different from contract value.

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The 401(k) Plan
 EIN: 25-1792394 Plan: 098
 Schedule H, Line 4i-Schedule of Assets (Held at End of Year)
 December 31, 2010

Description	Current Value
Interest-bearing cash and cash equivalents	
EB Temporary Investment Fund of Bank of New York Mellon	\$ 7,279,981
Adjustment from fair to book value	(20,965)
	\$ 7,259,016
 Registered Investment Companies	
Alliance Bernstein Small Mid Cap Value Fund	\$ 14,921,346
American Funds Europacific Growth Fund	8,915,467
American Funds Growth Fund of America	9,585,894
Vanguard Inflation Protected Securities Fund	1,245,996
Vanguard Total Bond Index Fund	9,178,802
Vanguard Target Retirement Income Fund	3,711,228
Vanguard Target Retirement 2010 Fund	7,061,133
Vanguard Target Retirement 2015 Fund	15,466,553
Vanguard Target Retirement 2020 Fund	14,148,780
Vanguard Target Retirement 2025 Fund	14,192,254
Vanguard Target Retirement 2030 Fund	10,265,027
Vanguard Target Retirement 2035 Fund	8,148,660
Vanguard Target Retirement 2040 Fund	5,995,244
Vanguard Target Retirement 2045 Fund	4,677,463
Vanguard Target Retirement 2050 Fund	601,169
Vanguard FTSE All-World ex-US Index Fund	914,846
Vanguard Institutional Index Fund	27,969,497
MFS Value Fund	3,296,134
MSIF Small Company Growth Fund	5,016,425
Federated Money Market Fund	443,134
	165,755,052
 Self-directed accounts	
Cash Balance Liability	(25)
Ultrabull Profound Investor Shares	80,300
Columbia Energy and Natural Resources Fund Class Z	59,405
Longleaf Partners Fund	35,167
Vanguard Special Portfolio	46,600
Dodge & Cox Stock Fund	27,814
T. Rowe Price Global Technology	32,076
Vanguard Primecap Fund	49,123
All other self directed investments under \$20,000	113,501

Total self-directed accounts	443,961
Total registered investment companies	\$ 166,199,013
Corporate Common Stock	
Allegheny Technologies Incorporated common stock*	\$ 33,176,158
Common Collective Trusts	
BNY Mellon Stable Value Fund	\$ 1,041,553
Adjustment from fair to book value	(18,506)
	\$ 1,023,047

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The 401(k) Plan
 EIN: 25-1792394 Plan: 098
 Schedule H, Line 4i-Schedule of Assets (Held at End of Year)
 December 31, 2010

Description	Current Value
Fixed Maturity Synthetic Contracts	
CMBS, BACM 2002-2 A3	\$ 407,936
CMBS, BACM 2005-3 A3A	511,968
Freddie Mac, FHR 2760 EB	92,721
Freddie Mac, FHR 2786 PC	32,495
Freddie Mac, FHR 2865 PQ	222,789
Freddie Mac, FHR 2866 XD	194,608
Freddie Mac, FHR 2870 BD	156,396
Freddie Mac, FHR 2888 OW	123,629
GNMA Project Loans, GNR 06-51 A	388,746
Auto Valet 2008-2 A3A	374,992
Bank of America, N.A. Wrap contract	(85,158)
Bank of America, N.A. Fixed Maturity Synthetic Contract 03-040	2,421,122
CMBS, CDCMT 2002-FX1D1	411,619
Rate Redu Bonds, CNP 05-A A2	349,033
Freddie Mac, FHR 2631 LB	45,944
Freddie Mac, FHR 2778 KR	49,918
Freddie Mac, FHR 2981 NB	11,819
Freddie Mac, FHR 2891 NB	408,860
CMBS, MLMT 05-CIP1 A2	592,645
CMBS, MLMT 05-CKI1 A2	186,578
CMBS, CD05-CD1 A2 FX	189,821
State Street Bank Wrap contract	(57,414)
State Street Bank Fixed Maturity Synthetic Contract 105028	2,188,823
CMBS, BSCMS 05-T18 A2	184,510
Freddie Mac, FHR 2763 PC	60,814
Freddie Mac, FHR 2921 NV	156,967
Freddie Mac, FHR 2934 OC	227,962
CMBS, JPMCC 05-LDP2 A2	44,077
Natixis Financial Products Wrap contract	(12,182)
Natixis Financial Products Fixed Maturity Synthetic Contract #1245-01	662,148
Total Fixed Maturity Synthetic Contracts	\$ 5,272,093
Variable Rate Synthetic Contracts	
Natixis Financial Products	\$ 797,745

Natixis Wrap contract		(9,565)
Total Variable Rate Synthetic Contracts	\$	788,180
Constant Duration Synthetic Contracts		
BlackRock, 1-3 Year Government Bond Index Fund	\$	1,110,820
BlackRock, 1-3 Year Credit Bond Index Fund		1,965,092
BlackRock, Asset-Backed Sec Index Fund		2,836,848
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The 401(k) Plan
 EIN: 25-1792394 Plan: 098
 Schedule H, Line 4i-Schedule of Assets (Held at End of Year)
 December 31, 2010

Description	Current Value
BlackRock, Comm Mortgage-Backed Sec Fund	529,203
BlackRock, Int Term Credit Bond Index Fund	2,321,440
BlackRock, Int Term Government Bond Index Fund	1,031,249
BlackRock Global Investors, Long Term Government Bond Index Fund	543,400
BlackRock, Mortgage-Backed Sec Index Fund	2,620,274
Monumental Life Ins. Co. Wrap contract	(387,011)
Monumental Life Ins. Co. Constant Duration Synthetic Contract MDA00895TR	12,571,315
Prudential Core Conservative Intermediate Bond Fund	12,639,612
Prudential Wrap Contract	(380,732)
Prudential Constant Duration Synthetic Contract GA 62215	12,258,880
BlackRock, 1-3 Year Government Bond Index Fund	598,134
BlackRock, 1-3 Year Credit Bond Index Fund	1,058,126
BlackRock, Asset-Backed Sec Index Fund	1,527,534
BlackRock, Comm Mortgage-Backed Sec Fund	284,956
BlackRock, Int Term Credit Bond Index Fund	1,250,006
BlackRock, Int Term Government Bond Index Fund	555,288
BlackRock, Long Term Government Bond Index Fund	292,600
BlackRock, Mortgage-Backed Sec Index Fund	1,410,917
State Street Bank Wrap contract	(208,227)
State Street Bank Constant Duration Synthetic Contract 107073	6,769,334
Total Constant Duration Synthetic Contracts	\$ 31,599,529
Participant loans* (4.00% to 9.50%, with maturities through 2025)	\$ 14,504,120

* Party-in-interest

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrators of the Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**ALLEGHENY TECHNOLOGIES
INCORPORATED
THE 401K PLAN**

Date: June 28, 2011

By: /s/ Karl D. Schwartz

Karl D. Schwartz
Controller and Principal Accounting
Officer
(Principal Accounting Officer and Duly
Authorized Officer)

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