



Rodney B. Mott  
President  
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June 13, 2006

**By E-mail**

Mr. G. W. Dallin  
For the SSPO Board of Directors

Dear Mr. Dallin:

**Re: Unilateral Reduction of Health and Welfare Benefits for Salaried Retirees**

The Company has stated on many occasions in recent years that the cost of its benefits programs would have to be addressed. Those costs were very high, were growing at a rapid rate, and could not be sustained over the long term. That remains true today.

The process of review and reform is an ongoing one in any responsible company. The reforms that were introduced on May 5, 2006 are necessary to ensure the long-term viability of the benefit plans and the Company. As noted at that time, they reflect a careful analysis of developments in the employee benefit plan community, the cost containment reforms that have been introduced elsewhere, and what we can afford.

These reforms are also consistent with the plan terms and are legally permissible.

I trust this letter responds to your concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Rodney B. Mott".

Rodney B. Mott  
President  
and Chief Executive Officer