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May 14, 2004

Mr. Dennis Wright
Mr. Rick Grigg
Stel Salaried Pensioners Organization
2-558 Upper Gage Avenue
Suite 146
Hamilton ON L8V 4J6

Dear Mr. Wright and Mr. Grigg:

Thank you very much for your correspondence forwarded to me by Toby Barrett, MPP, regarding Stelco and its pension plans. I appreciate your taking the time to write and share your concerns on this important matter.

The province is taking positive actions to deal with the issues facing Stelco and the Hamilton economy. We are committed to assisting the company in coming months as restructuring decisions are made through the ongoing CCAA process. James Arnett, a lawyer and senior business executive, was appointed by the province to closely monitor the situation and assist us in finding sustainable solutions that benefit employees, pensioners and the Hamilton community.

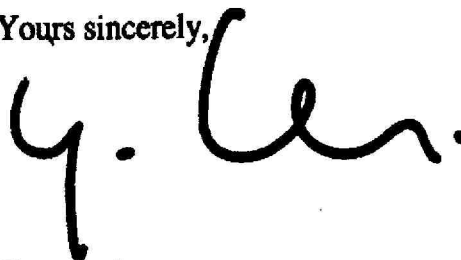
Residents and businesses in Hamilton are benefiting from two important provincial initiatives that were announced recently. First, \$19.5 million in funding is being provided to offset the city's high social services costs. Second, to strengthen the local economy and encourage growth, we are matching a local business tax reduction of \$9.5 million.

In addition to these initiatives, it is important to note that while the company attempts to restructure, it is still responsible for paying its employees and its pensioners. The Superintendent of Financial Services will be closely monitoring the status of Stelco's pension plans and the obligations of the company to its pensioners.

I appreciate the concerns and suggestions you have made with regard to the Pension Benefits Guarantee Fund (PBGF). As you know, these are complex issues that could have significant financial implications for the viability of the Fund. Ministry staff are reviewing issues regarding the PBGF and the security of pension benefits.

Thanks again for writing. Should you require additional information please do not hesitate to contact my office.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Sorbara', with a stylized flourish at the end.

Greg Sorbara
Minister

c. Mr. Toby Barrett, MPP
Haldimand-Norfolk-Brant