



MEDIA RELEASE
USW Local 1005, October 3, 2005

**On Stelco's New Plan of
Arrangement and Reorganization**
*- Statement to the Court by Rolf Gerstenberger,
President, USW Local 1005 -*

After reading the available material on Stelco's new plan of arrangement and reorganization, USW Local 1005 concludes that the new plan appears as something that can not be supported.

Workers would like nothing better than for Stelco to exit CCAA, stop the CCAA fraud and deal with the pension deficiency. Not only are none of the real economic problems addressed which Local 1005 considers the most serious issue, but court filings are truly alarming concerning Stelco's future debt obligations, with interest rates, break fees, service fees, etc.

By increasing Stelco's debt burden on the basis of onerous terms, the plan is bound to compound the problems Stelco is facing. We note that while the bulk of the plan is about providing the money-lenders with guarantees, it is the active steelworkers through their labour who will have to pay for the onerous interest on the debt Stelco is incurring. In spite of this, steelworkers exercise no control over how this debt is incurred or the terms of repayment.

Finally, this plan provides the active and retired steelworkers with no guarantee that Stelco will not go this route again. Local 1005 will continue to hold the company, the Monitor and the Government fully responsible for any arrangements which will not make Stelco viable and which do not protect the interests of active and retired steelworkers, the community or the social economy.

Local 1005 concludes that this drama is far from over. Local 1005 protests against the entire manner in which these negotiations on the restructuring plan are being conducted. The governments actions during this whole process reeks of blackmail and brinkmanship. What is still not answered is what was the governments objection to the original plan, and what makes this plan better for the workers and retirees at Stelco and for the people of Ontario.