

OFFICE OF THE  
MAYOR



CORPORATION OF THE  
CITY OF SAULT STE. MARIE

April 3<sup>rd</sup>, 2017

Member of Parliament Terry Sheehan  
369 Queen Street East, Unit #102  
Sault Ste. Marie, ON  
P6A 1Z4

**RE:** Resolution of Essar Steel Algoma CCAA Process

Dear Terry,

As you are well aware, Essar Steel Algoma—Sault Ste. Marie's largest employer—has been operating under the protections of the *Companies' Creditors Arrangement Act* since November, 2015.

This protracted situation has had a significant negative impact on Sault Ste. Marie's economy. Tens of millions of dollars owing to Essar Steel Algoma's local trade creditors have been put in limbo and more than \$20 million in outstanding taxes remain payable to the City of Sault Ste. Marie. In general, the uncertainty surrounding the steel plant has caused an erosion of consumer confidence which has exerted a drag on our local economy. My sense is many residents and businesses have been reluctant to invest or spend their capital pending the outcome of the CCAA proceedings.

For all of these reasons, it is desirable to see the CCAA proceedings be brought to a successful and prompt close. This letter is to convey to your government through you, our duly elected representative, that the Corporation of the City of Sault Ste. Marie has no express preference for who ultimately operates the steel plant, provided they are committed to operating it as a going concern. At present, there is one *bona fide* bid in place to purchase Essar Steel Algoma. That bid is being led by the term lenders group. Accordingly, the Corporation of the City of Sault Ste. Marie is supportive of seeing a purchase agreement be consummated with this group.

I am mindful that a successful transaction will likely require the support and sanction of the Government of Canada. I ask that the Government of Canada embrace this role and do whatever it can to support an outcome that will lead to the continued operation of the steel plant.

Sincerely,

Christian C. Provenzano, B.A., LL.B., LL.M.

c.c. The Honourable Navdeep Bains,  
Minister of Innovation, Science and Economic Development