

June, 2006

Frequently Asked Questions and Answers

About the Prescription Drug Program

For Mittal Steel USA (formerly ISG) VEBA Members

The following list of Questions and Answers was prepared by the United Steelworkers to help USW retirees and surviving spouses understand:

- If they are eligible to participate in the VEBA Prescription Drug Program,
- What are the benefits and monthly contributions, and
- How to enroll in the Program.

For additional assistance, VEBA beneficiaries should contact the VEBA directly, by calling either of the following toll-free telephone numbers, any business day, Monday through Friday, from 8:00 am to 5:00 p.m. EST.

For questions regarding eligibility to participate in the VEBA, call

1 (877) 474-8322

For questions regarding prescription drug benefits, network pharmacies, mail order service, or any other question, call

1 (800) 251-9494

Q: What is the Mittal Steel USA VEBA?

A: A VEBA is a trust fund (referred to under the Internal Revenue Code as a "Voluntary Employees' Beneficiary Association"). This VEBA was established under the 2002 collective bargaining agreement between the United Steelworkers ("USW") and International Steel Group, Inc. ("ISG") for the benefit of USW-represented retirees of four companies that had been acquired by ISG...namely LTV Steel, Bethlehem Steel, Georgetown Steel and Acme Metal Products.

Since the VEBA was first established, ISG was purchased by Mittal Steel, and the VEBA was re-named as the Mittal Steel USA VEBA.

Q: How is the VEBA funded?

A: Under the terms of the collective bargaining agreement, Mittal is required to make quarterly contributions to the VEBA, based on the Company's earned profits and steel tonnage. Contributions to the VEBA can only be used for the benefit of VEBA beneficiaries.

Q: How are VEBA benefits determined?

A: Mittal and the USW have appointed a joint Benefits Committee to oversee the operation of the VEBA, and determine the most effective way to use the available assets for the greatest benefit to VEBA beneficiaries. Following an extensive study, the Committee recommended that a Prescription Drug Program be established.

Q: When did the Program become effective?

A: March 1, 2005. Additional benefit improvements became effective September 1, 2005.

Q: Are the benefits guaranteed for life?

A: No, because the benefits are dependent upon the availability of VEBA assets, which, in turn, will depend upon Mittal's profits (if any) and shipped steel tonnage. Thus, there is no guarantee how long the Program will continue. However, the VEBA assets are certainly adequate to maintain the Program during 2006.

Q: Who is eligible for VEBA benefits?

A: VEBA beneficiaries include former USW-represented retirees and surviving spouses of the four bankrupt companies... LTV Steel, Bethlehem Steel, Georgetown Steel and Acme Metal Products... whose retiree medical coverage was terminated as a result of the bankruptcy of their former employer.

In addition, a limited number of former employees of Bethlehem Steel who elected to receive a lump sum payment under the Transition Adjustment Program ("TAP") are eligible for VEBA benefits.

Q: What groups of people are NOT eligible for the VEBA?

A: You are not eligible for the VEBA if you:

- were not employed by one of the four companies at the time of retirement;
- were not a member of the USW at the time of retirement, including management employees and members of other unions; or
- were not eligible for retiree health care coverage at the time of retirement (or when you became a surviving spouse), including employees who quit, or were only eligible for a deferred vested pension.

Q: How can I determine if I am a VEBA beneficiary?

A: On January 7, 2005, the VEBA sent a packet of information about the VEBA to nearly 60,000 individuals. If you received this packet, then the VEBA has already determined that you are a VEBA beneficiary. Included in the packet was an enrollment form that you may complete and return to the VEBA.

If you did not receive a packet, you may still be eligible. If you think you meet the eligibility rules, as summarized above, you should contact the VEBA, by calling, toll-free, 1 (877) 474-8322. The VEBA will either (1) confirm your eligibility by phone and send you an enrollment form, or (2) send you an Eligibility Verification form.

Q: Are my spouse and dependent children eligible to enroll?

A: Yes, but only if each dependent was enrolled under your former employer sponsored retiree health plan at the time it terminated. This means, for example, that a spouse whom you married after the date you lost your retiree coverage is not eligible for VEBA benefits.

If you wish to enroll a dependent child, you must contact the VEBA and request a Dependent Child Enrollment form, which must be completed and include a copy of your most recent federal tax return to verify that the child is financially dependent on you.

Q: What is the cost of VEBA prescription drug coverage?

A: Effective September 1, 2005, the monthly contribution is only \$10 for you and \$10 for a dependent spouse. There is no additional charge to enroll a dependent child. The retiree does not have to enroll in order to enroll a dependent spouse.

Q: How do I make this contribution?

A: You can return the enrollment form with no payment. Thereafter, you will be invoiced quarterly and have the option to either pay quarterly by check, or have your contribution deducted monthly from your personal checking account. This is called an “ACH debit”.

Q: When do I have to enroll for prescription drug coverage?

A: You can initially enroll at any time, and your coverage will begin on the first of the month following completion of the enrollment process (normally within 30 to 60 days after receipt of your enrollment form).

Q: If I enroll, can I withdraw at a later date?

A: Yes, but be advised that if your coverage terminates because you withdraw, or you fail to make the required payments, you may not re-enroll before January 1 of the following year.

Q: What exactly are the Prescription Drug Program benefits?

A: Please refer to the following description and chart:

The program covers most prescription drugs obtained at a participating pharmacy or through mail order service, subject to the annual deductible, percentage coinsurance amounts and annual benefit maximum described in the chart below. The prescription drugs are being offered to you at the PharmaCare negotiated discount price.

Coverage for short-term drugs such as antibiotics will include up to a 30-day supply dispensed at a PharmaCare participating pharmacy.

Coverage for maintenance drugs will include the initial fill at retail, plus two additional retail fills before you will be required to fill your maintenance drug for up to a 90-day supply through the PharmaCare mail-order pharmacy.

The program also has a generic incentive provision, stating that, if you request a brand name drug when a generic drug is available and substitution is permissible, you will be responsible for the cost difference between the generic and the brand, in addition to your brand coinsurance. However, if your doctor requires that a brand drug be dispensed as written, even if a generic is available, you will only be responsible for the coinsurance amount as depicted in the chart below.

Generic drugs, both at retail and mail, can be obtained on the first day of coverage at the coinsurance or co-payment amounts noted below and are not counted towards the annual deductible.

If you elect to enroll in the program, you will receive a more detailed benefit description from PharmaCare, along with an Identification Card.

Enhanced Benefit Effective Date	September 1, 2005
Annual Deductible	None

Annual Benefit Maximum	\$4,000 (does not apply to generic drugs)*
Retail Pharmacy (up to 30-day supply)	Co-pay
Generic	
Brand Formulary**	\$5
Brand Non-Formulary	\$20
Mail Order (up to 90 day supply)	\$35
Generic	
Brand Formulary**	
Brand Non-Formulary	\$10
	\$40
	\$70

* If you purchase a covered brand name drug after you have reached the annual benefit maximum, you will continue to be able to obtain the drug at the PharmaCare negotiated discount price, but you will be required to pay 100% of the discounted amount.

** The formulary is an extensive list of Food & Drug Administration (FDA) approved prescription drugs selected for their quality, safety and effectiveness. It includes products in every major therapeutic category. The formulary was developed by PharmaCare Pharmacy and Therapeutics Committee made up of clinical pharmacists and physicians. Your program includes coverage for both formulary and non-formulary drugs at the specific coinsurance or copayment amounts listed above. A formulary listing will be sent to you following your enrollment, or you may view the formulary on the Internet at www.pharmacare.com

Q: How do I locate a PharmaCare Participating Pharmacy?

A: Almost all major “chain” pharmacies do participate, as well as many local pharmacies. You can simply ask your local pharmacist if they participate with Pharmacare, or you can call the PharmaCare toll-free number at 1 (800) 251-9494.

Q: I am currently taking certain medications. How can I confirm that they are covered under the Program?

A: Almost all drugs requiring a prescription, as well as insulin and diabetic supplies, are covered, but there are a few exclusions. Some examples of non-covered drug are: vaccines and immunization agents, over-the-counter drugs, experimental drugs, nutritional supplements, and drugs used only for cosmetic purposes.

Initially, you may contact PharmaCare by calling 1 (800) 251-9494.

After you enroll, you may also check with your pharmacist, or contact PharmaCare on the Internet at www.pharmacare.com

Q: How can I find out the exact amount of co-insurance for a particular drug?

A: Again you can call PharmaCare at 1 (800) 251-9494, but first make sure that you know the exact name and dosage of the drug in question at the time you call.

Q: Why does the Program require me to use the mail-order service?

A: You are not required to use mail order (although you may) for the initial 30 day supply of a drug, or up to two additional refills. Thus, prescriptions for short-term medications, such as antibiotics, can always be filled at your local participating pharmacy. After 90 days, however, your continued use of a drug is considered to be a “maintenance” medication. The Program requires these prescriptions to be filled through the mail order service because the cost is less, both for the VEBA and for you. Again, since VEBA assets are limited, mail order helps the VEBA to get the best value.

Q: Is mail-order a safe way to obtain prescription drugs?

A: Yes. The PharmaCare mail order facility, located in Pittsburgh, PA, is licensed, just like any other pharmacy. In addition, the facility utilizes sophisticated quality controls to ensure accurate and timely dispensing of drugs. All prescriptions and packages are examined by a licensed pharmacist, just like at your local pharmacy. You also have the advantage of being able to have your drugs delivered to your mailbox, which saves time and hassle.

For additional information about the mail order service, you should call PharmaCare at 1 (800) 251-9494.

Q: I am already covered for prescription drugs through another medical plan (e.g. Medicare Supplement plan, Medicare Advantage Plan, spouse’s employer plan, VA, etc). Can I enroll for the VEBA Prescription Drug Plan even though I have drug coverage from another source?

A: Except as specifically noted below, you may enroll in the VEBA even if you are covered under another plan, such as an employer-sponsored plan, your spouse’s plan or have coverage through the Veteran’s Administration. However, you should carefully consider which option provides you with the coverage that best meets your needs, and whether you actually need additional coverage. Some retirees may have enough coverage already, while others may have none, or may use the additional coverage from the VEBA to supplement their current drug benefits.

We cannot give you specific advice, since your decision will depend upon a number of important factors, including (a) your health status, (b) your

drug use and costs, and (c) your ability to afford the additional premium. Certainly, enrolling in the VEBA is optional, and you can always enroll in the VEBA at a later date if you eventually lose your current drug coverage.

Note that you may NOT enroll in the VEBA program if you are already enrolled in a Medicare Part D Prescription Drug Program (“PDP”), or a Medicare Advantage Plan that includes coverage for prescription drugs (“MA-PDP”).

If you are uncertain what to do, you may wish to consult with a family member or trusted advisor.

Q: Can I reduce my coverage under my existing medical plan, now that I have access to VEBA drug benefits?

A: That will depend upon the specific provisions of your plan, and rules established by your plan sponsor or insurance carrier. You should contact your current carrier to determine if such option exists, and the impact on both benefit levels and premium rates.

Q: Will the VEBA benefits change in 2006 and beyond?

A: The VEBA Benefits Committee, as well as the Union and Mittal Steel, have not yet determined benefits beyond 2006. Much will depend upon important factors such as Mittal’s future production and profits, as well as the VEBA’s actual costs during 2006. If the benefits are changed, all VEBA beneficiaries will be advised with as much advance notice as possible.