

107TH CONGRESS  
1ST SESSION

# S. 957

To provide certain safeguards with respect to the domestic steel industry.

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## IN THE SENATE OF THE UNITED STATES

MAY 24, 2001

Mr. WELLSTONE (for himself, Mr. DAYTON, Mr. BYRD, and Ms. STABENOW)  
introduced the following bill; which was read twice and referred to the  
Committee on Finance

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## A BILL

To provide certain safeguards with respect to the domestic  
steel industry.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Steel Revitalization  
5 Act of 2001”.

### 6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

#### TITLE I—IMPORT RELIEF

Sec. 101. Reduction in volume of steel imports.

Sec. 102. Steel import notification and monitoring program.

## TITLE II—LEGACY COST SHARING

- Sec. 201. Steel Retiree Health Care Board.  
 Sec. 202. Steelworker Retiree Health Care Trust Fund.  
 Sec. 203. Health Care Benefit Costs Assistance Program.  
 Sec. 204. Excise tax on steel.

## TITLE III—STEEL LOAN GUARANTEE PROGRAM

- Sec. 301. Modification to steel loan guarantee program.

## TITLE IV—INCENTIVES FOR CONSOLIDATION

- Sec. 401. Grant program for merged companies.

1           **TITLE I—IMPORT RELIEF**2   **SEC. 101. REDUCTION IN VOLUME OF STEEL IMPORTS.**

## 3           (a) REDUCTION.—

4                   (1) IN GENERAL.—Notwithstanding any other  
 5           provision of law, within 60 days after the date of en-  
 6           actment of this Act, the President shall take the  
 7           necessary steps, by imposing quotas, tariff sur-  
 8           charges, negotiated enforceable voluntary export re-  
 9           straint agreements, or other measures, on imports of  
 10          steel products to ensure that—

11                   (A) the tonnage of iron ore, coke and coke  
 12           products, semifinished steel, and pig iron im-  
 13           ported into the United States during any month  
 14           does not exceed the average tonnage of each  
 15           such product that was imported monthly into  
 16           the United States during the 36-month period  
 17           preceding July 1997; and

18                   (B) in the case of any other steel product  
 19           to which this section applies, the share of do-

1           mestic consumption of each such steel product  
2           in the United States that is derived from im-  
3           ports during any month does not exceed the av-  
4           erage monthly share of domestic consumption  
5           of that steel product in the United States that  
6           was derived from imports during any month in  
7           the 36-month period preceding July 1997.

8           (2) DETERMINATION OF FUTURE CONSUMP-  
9           TION.—Determinations of the share of future do-  
10          mestic consumption for purposes of subparagraph  
11          (B) shall be based on projections made from the best  
12          available information.

13          (b) ENFORCEMENT AUTHORITY.—Within 60 days  
14          after the date of enactment of this Act, the Secretary of  
15          the Treasury, through the United States Customs Service,  
16          and the Secretary of Commerce shall implement a pro-  
17          gram for administering and enforcing the restraints on  
18          imports under subsection (a). The Customs Service is au-  
19          thorized to refuse entry into the customs territory of the  
20          United States of any steel products that exceed the allow-  
21          able levels of imports of such products.

22          (c) APPLICABILITY.—This section shall apply to the  
23          following categories of steel products: semifinished steel,  
24          stainless steel, plates, sheets and strips, rods, wire and  
25          wire products, rail type products, bars, structural shapes

1 and units, pipes and tubes, iron ore, pig iron, and coke  
2 and coke products.

3 (d) WAIVERS DURING PERIODS OF SHORT SUP-  
4 PLY.—The President may waive the applicability of sub-  
5 section (a), for periods of not more than 3 months each,  
6 with respect to any product set forth in subsection (c) if—

7 (1) the President determines that the product  
8 cannot be supplied by the domestic industry in com-  
9 mercial quantities in a timely manner;

10 (2) the President has obtained advice regarding  
11 that determination from the appropriate advisory  
12 committee established under section 135 of the  
13 Trade Act of 1974 (19 U.S.C. 2155) and the United  
14 States International Trade Commission;

15 (3) the President has submitted to Congress a  
16 report that sets forth the determination described in  
17 paragraph (1) and the reasons therefor, and the ad-  
18 vice obtained under paragraph (2); and

19 (4) a period of 30 calendar days has elapsed  
20 since the report was submitted under paragraph (3).

21 (e) EXPIRATION.—This section shall expire at the  
22 end of the 5-year period beginning 60 days after the date  
23 of enactment of this Act.

1 **SEC. 102. STEEL IMPORT NOTIFICATION AND MONITORING**  
2 **PROGRAM.**

3 (a) IN GENERAL.—Not later than 30 days after the  
4 date of enactment of this Act, the Secretary of Commerce,  
5 in consultation with the Secretary of the Treasury, shall  
6 establish and implement a steel import notification and  
7 monitoring program. The program shall include a require-  
8 ment that any person importing a product classified under  
9 chapter 72 or 73 of the Harmonized Tariff Schedule of  
10 the United States obtain an import notification certificate  
11 before such products are entered into the United States.

12 (b) STEEL IMPORT NOTIFICATION CERTIFICATES.—

13 (1) IN GENERAL.—In order to obtain a steel  
14 import notification certificate, an importer shall sub-  
15 mit to the Secretary of Commerce an application  
16 containing—

17 (A) the importer's name and address;

18 (B) the name and address of the supplier  
19 of the goods to be imported;

20 (C) the name and address of the producer  
21 of the goods to be imported;

22 (D) the country of origin of the goods;

23 (E) the country from which the goods are  
24 to be imported;

25 (F) the United States Customs port of  
26 entry where the goods will be entered;

1 (G) the expected date of entry of the goods  
2 into the United States;

3 (H) a description of the goods, including  
4 the classification of such goods under the Har-  
5 monized Tariff Schedule of the United States;

6 (I) the quantity (in kilograms and net  
7 tons) of the goods to be imported;

8 (J) the cost insurance freight (CIF) and  
9 free alongside ship (FAS) values of the goods to  
10 be entered;

11 (K) whether the goods are being entered  
12 for consumption or for entry into a bonded  
13 warehouse or foreign trade zone;

14 (L) a certification that the information  
15 furnished in the certificate application is cor-  
16 rect;

17 (M) the process used to produce the goods  
18 and the estimated amount of toxic material  
19 emitted into the air, earth, and water as a re-  
20 sult of that process;

21 (N) wages and benefits paid to the workers  
22 producing the goods; and

23 (O) any other information the Secretary of  
24 Commerce determines to be necessary and ap-  
25 propriate.

1           (2) ENTRY INTO CUSTOMS TERRITORY.—In the  
 2           case of a product that is initially entered into a  
 3           bonded warehouse or foreign trade zone, a steel im-  
 4           port notification certificate shall be required before  
 5           the product is entered into the customs territory of  
 6           the United States.

7           (3) ISSUANCE OF STEEL IMPORT NOTIFICATION  
 8           CERTIFICATE.—The Secretary of Commerce shall  
 9           issue a steel import notification certificate to any  
 10          person who files an application that meets the re-  
 11          quirements of this section. Such certificate shall be  
 12          valid for a period of 30 days from the date of  
 13          issuance.

14          (c) STATISTICAL INFORMATION.—

15           (1) IN GENERAL.—The Secretary of Commerce  
 16           shall compile and publish on a weekly basis informa-  
 17           tion described in paragraph (2).

18           (2) INFORMATION DESCRIBED.—Information  
 19           described in this paragraph is information obtained  
 20           from steel import notification certificate applications  
 21           concerning products classified under chapter 72 or  
 22           73 of the Harmonized Tariff Schedule of the United  
 23           States that are imported into the United States and  
 24           includes with respect to such imports the Har-  
 25           monized Tariff Schedule of the United States classi-

1       fication (to the tenth digit), the country of origin,  
2       the port of entry, quantity, value of the products im-  
3       ported, and whether the imports are entered for con-  
4       sumption or are entered into a bonded warehouse or  
5       foreign trade zone. Such information shall also be  
6       compiled in aggregate form and made publicly avail-  
7       able by the Secretary of Commerce on a weekly basis  
8       by public posting through an Internet website. The  
9       information provided under this section shall be in  
10      addition to any information otherwise required by  
11      law.

12      (d) FEES.—The Secretary of Commerce may pre-  
13      scribe reasonable fees and charges to defray the costs of  
14      carrying out the provisions of this section, including a fee  
15      for issuing a certificate under this section.

16      (e) SINGLE PRODUCER AND EXPORTER COUN-  
17      TRIES.—Notwithstanding any other provision of law, the  
18      Secretary of Commerce shall make publicly available all  
19      information required to be released under subsection (c),  
20      including information obtained regarding imports from a  
21      foreign producer or exporter that is the only producer or  
22      exporter of goods subject to this section from a foreign  
23      country.

24      (f) REGULATIONS.—The Secretary of Commerce may  
25      prescribe such rules and regulations relating to the steel



1 import notification and monitoring program as may be  
2 necessary to carry out this section.

## 3 **TITLE II—LEGACY COST** 4 **SHARING**

### 5 **SEC. 201. STEEL RETIREE HEALTH CARE BOARD.**

6 (a) ESTABLISHMENT.—There is established in the  
7 Department of Labor a Steel Retiree Health Care Board.

8 (b) COMPOSITION.—The Board shall be composed of  
9 5 members appointed by the Secretary of Labor, of  
10 whom—

11 (1) one shall be designated by the Secretary as  
12 Chairman;

13 (2) one shall be appointed after taking into con-  
14 sideration the recommendations made by the Speak-  
15 er of the House of Representatives and the majority  
16 leader of the Senate;

17 (3) one shall be appointed after taking into con-  
18 sideration the recommendations made by the minor-  
19 ity leader of the House of Representatives and the  
20 minority leader of the Senate;

21 (4) one shall represent the interests of steel and  
22 iron ore workers; and

23 (5) one shall represent the interests of the steel  
24 and iron or industry.

1 (c) MEMBERSHIP REQUIREMENTS.—Members of the  
 2 Board shall have substantial experience, training, and ex-  
 3 pertise in matters relating to retiree health benefits.

4 (d) LENGTH OF APPOINTMENTS.—

5 (1) TERMS.—A member of the Board shall be  
 6 appointed for a term of 2 years.

7 (2) VACANCIES.—

8 (A) IN GENERAL.—A vacancy on the  
 9 Board shall be filled in the manner in which the  
 10 original appointment was made and shall be  
 11 subject to any conditions that applied with re-  
 12 spect to the original appointment.

13 (B) COMPLETION OF TERM.—An indi-  
 14 vidual chosen to fill a vacancy shall be ap-  
 15 pointed for the unexpired term of the member  
 16 replaced.

17 (3) EXPIRATION.—The term of any member  
 18 shall not expire before the date on which the mem-  
 19 ber's successor takes office.

20 (e) DUTIES.—The Board shall—

21 (1) administer the Health Care Benefit Costs  
 22 Assistance Program established under section 203;

23 (2) establish policies for the investment and  
 24 management of the Steelworker Retiree Health Care  
 25 Trust Fund established under section 202 that shall

1 provide for prudent investments and low administra-  
2 tive costs; and

3 (3) review and approve the budget of the  
4 Board.

5 (f) ADMINISTRATIVE PROVISIONS.—

6 (1) IN GENERAL.—The Board may—

7 (A) adopt, alter, and use a seal;

8 (B) take such other actions as may be nec-  
9 essary to carry out the functions of the Board.

10 (2) MEETINGS.—The Board shall meet—

11 (A) at least semiannually; and

12 (B) at additional times at the call of the  
13 Chairman.

14 (3) EXERCISE OF POWERS.—

15 (A) IN GENERAL.—The Board shall per-  
16 form the functions and exercise the powers of  
17 the Board on a majority vote of a quorum of  
18 the Board. Three members of the Board shall  
19 constitute a quorum for the transaction of busi-  
20 ness.

21 (B) VACANCIES.—A vacancy on the Board  
22 shall not impair the authority of a quorum of  
23 the Board to perform the functions and exercise  
24 the powers of the Board.

25 (g) COMPENSATION.—

1           (1) IN GENERAL.—Each member of the Board  
 2           who is not an officer or employee of the Federal  
 3           Government shall be compensated at the daily rate  
 4           of basic pay for level V of the Executive Schedule for  
 5           each day during which such member is engaged in  
 6           performing a function of the Board.

7           (2) EXPENSES.—A member of the Board shall  
 8           be paid travel, per diem, and other necessary ex-  
 9           penses under subchapter I of chapter 57 of title 5,  
 10          United States Code, while traveling away from such  
 11          member’s home or regular place of business in the  
 12          performance of the duties of the Board.

13          (3) SOURCE OF FUNDS.—Payments authorized  
 14          under this subsection shall be paid from the Steel-  
 15          worker Retiree Health Care Trust Fund.

16 **SEC. 202. STEELWORKER RETIREE HEALTH CARE TRUST**  
 17 **FUND.**

18          (a) CREATION OF TRUST FUND.—There is estab-  
 19          lished in the Treasury of the United States a trust fund  
 20          to be known as the “Steelworker Retiree Health Care  
 21          Trust Fund”, consisting of such amounts as may be ap-  
 22          propriated or credited to the Steelworker Retiree Health  
 23          Care Trust Fund as provided in this section.

24          (b) TRANSFER OF DESIGNATED AMOUNTS TO TRUST  
 25          FUND.—There is hereby appropriated to the Steelworker

1 Retiree Health Care Trust Fund amounts equivalent to  
 2 the taxes received in the Treasury under section 4191 of  
 3 the Internal Revenue Code of 1986 (relating to excise tax  
 4 on steel).

5 (c) EXPENDITURES FROM TRUST FUND.—

6 (1) HEALTH CARE BENEFIT COST PAYMENTS.—

7 The Secretary of the Treasury shall make payments  
 8 from the Trust Fund in accordance with section  
 9 203.

10 (2) ADMINISTRATIVE EXPENSES.—Amounts in  
 11 the Trust Fund shall be available to pay the admin-  
 12 istrative expenses of the Secretary of the Treasury  
 13 directly attributable to carrying out this section and  
 14 section 203 with respect to such Trust Fund.

15 **SEC. 203. HEALTH CARE BENEFIT COSTS ASSISTANCE PRO-**  
 16 **GRAM.**

17 (a) ESTABLISHMENT OF PROGRAM.—The Steel Re-  
 18 tiree Health Care Board shall establish by regulation a  
 19 Health Care Benefit Costs Assistance Program under  
 20 which the Board shall provide for payments under this sec-  
 21 tion from the balance in the Steelworker Retiree Health  
 22 Care Trust Fund to designated steelworker group health  
 23 plans to assist in the funding of qualified retiree health  
 24 benefits under such plans.

25 (b) DEFINITIONS.—For purposes of this section—

1           (1)   DESIGNATED   STEELWORKER   GROUP  
2   HEALTH PLAN.—

3           (A) IN GENERAL.—The term “designated  
4   steelworker group health plan” means a group  
5   health plan—

6           (i) under which participants and bene-  
7   ficiaries include retired steelworker partici-  
8   pants or their beneficiaries, and

9           (ii) which is in effect on the date of  
10   enactment of this Act or meets the require-  
11   ments of subparagraph (B).

12          (B) PLANS MAINTAINED IN CONNECTION  
13   WITH SUBSEQUENT ACQUISITIONS.—A group  
14   health plan meets the requirements of this sub-  
15   paragraph if—

16          (i) such plan is in effect as of the date  
17   of an affirmative determination under sec-  
18   tion 401(b)(1) with respect to an acquisi-  
19   tion, and

20          (ii) a person who was engaged in, or  
21   resulted from, such acquisition is obligated,  
22   under the terms of the plan as in effect  
23   immediately after such determination, to  
24   make contributions to the plan.

1 (C) SUCCESSOR PLANS.—Any group health  
2 plan described in subparagraph (A)(i) which is  
3 a successor to a terminated designated steel-  
4 worker group health plan (as defined in sub-  
5 paragraph (A)) shall be treated as such des-  
6 ignated steelworker group health plan to the ex-  
7 tent that it provides benefits to individuals who  
8 were eligible steelworker participants or their  
9 beneficiaries under the terminated plan, if—

10 (i) such benefits are at least equiva-  
11 lent to the benefits provided by the termi-  
12 nated plan immediately before its termi-  
13 nation, or

14 (ii) in any case in which the benefits  
15 under the plan do not meet the require-  
16 ments of clause (i), any deviation from  
17 such requirements was adopted by agree-  
18 ment with an authorized representative of  
19 the individuals who were eligible steel-  
20 worker participants or their beneficiaries  
21 under the terminated plan.

22 (2) QUALIFIED RETIREE HEALTH BENEFIT.—

23 The term “qualified retiree health benefit” means  
24 medical care which is provided under a designated  
25 steelworker group health plan—

1 (A) to an eligible steelworker participant  
2 who retired under such plan prior to the date  
3 of enactment of this Act (or to an eligible bene-  
4 ficiary of such a participant), or

5 (B) in the case of a plan described in para-  
6 graph (1)(B), to an eligible steelworker partici-  
7 pant who retires under such plan during the  
8 180-day period beginning with the applicable ef-  
9 fective date (or to an eligible beneficiary of such  
10 a participant).

11 (3) STEELWORKER PARTICIPANT.—The term  
12 “steelworker participant” means a participant who  
13 was, while employed as a participant in the plan, ac-  
14 tively engaged in the production of any steel product  
15 specified in section 101(c).

16 (4) APPLICABLE EFFECTIVE DATE.—The term  
17 “applicable effective date” means the date of enact-  
18 ment of this Act, except that, in the case of a plan  
19 meeting the requirements of paragraph (1)(B), such  
20 term means the date of the affirmative decision of  
21 the Secretary of Commerce referred to in paragraph  
22 (1)(B).

23 (5) ELIGIBILITY.—A steelworker participant  
24 under a designated steelworker group health plan  
25 (or such a participant’s beneficiary) for any plan



1 year is “eligible” for such plan year if such partici-  
2 pant or beneficiary was a participant or beneficiary  
3 under such plan as of the applicable effective date  
4 and has remained a participant or beneficiary under  
5 such plan without an intervening break in coverage.  
6 For purposes of this paragraph, a suspension of ben-  
7 efits by reason of a case under chapter 11 of title  
8 11, United States Code, or under any similar Fed-  
9 eral law or law of a State or political subdivision of  
10 a State shall not be treated as a break in coverage.

11 (6) OTHER DEFINITIONS.—Terms used in this  
12 section which are defined in sections 3 and 733(a)  
13 of the Employee Retirement Income Security Act of  
14 1974 (29 U.S.C. 1002 and 1191b(a)) shall have the  
15 meanings provided such terms in such sections.

16 (c) APPLICATIONS.—During the 180-day period fol-  
17 lowing the applicable effective date, a plan sponsor of a  
18 designated steelworker group health plan providing quali-  
19 fied retiree health care benefits may apply to the Board  
20 for contributions to the plan under the Health Care Ben-  
21 efit Costs Assistance Program as reimbursement for ben-  
22 efit costs as provided under this section. Such applications  
23 shall be accepted by the Board only if they are filed in  
24 such form and manner as shall be prescribed in regula-  
25 tions of the Board.

1 (d) PAYMENT OF CONTRIBUTIONS.—

2 (1) IN GENERAL.—Upon receipt of an applica-  
 3 tion with respect to a designated steelworker group  
 4 health plan filed with the Board in accordance with  
 5 subsection (c), the Board shall pay contributions to  
 6 the plan from the Trust Fund for each calendar year  
 7 beginning after the 180-day period described in sub-  
 8 section (c). Such contributions shall be allocated to  
 9 plan years which do not coincide with calendar years  
 10 as provided in regulations of the Board.

11 (2) AMOUNT OF CONTRIBUTIONS.—

12 (A) IN GENERAL.—Subject to subpara-  
 13 graph (F), total contributions paid to a plan  
 14 under this section for any calendar year shall be  
 15 equal to 75 percent of the qualified expendi-  
 16 tures of the plan made during such calendar  
 17 year.

18 (B) QUALIFIED EXPENDITURES.—For pur-  
 19 poses of subparagraph (A), the term “qualified  
 20 expenditures” of a plan for any calendar year  
 21 means the costs of items and services consti-  
 22 tuting qualified retiree health benefits paid by  
 23 the plan during such calendar year, employing  
 24 the cost levels for such items and services that  
 25 prevailed as of the applicable effective date.

(C) ACCOUNTING FOR QUALIFIED EXPENDITURES.—The Board shall provide by regulation for the payment of contributions under this section for any calendar year in periodic installments, determined on the basis of information currently received by the Board with respect to the qualified expenditures of the plan and such estimates as the Board considers appropriate. Adjustments shall be made in the amount of such installments to the extent necessary to compensate for payments of prior installments that were less than or greater than the correct amount.

(D) EFFECT OF SUBSEQUENT PLAN AMENDMENTS DISREGARDED.—

(i) IN GENERAL.—Subject to clause (ii), for purposes of determining qualified expenditures under this paragraph, any amendment to the plan taking effect after the applicable effective date shall be disregarded to the extent that it increases benefit costs or adds new benefits.

(ii) REDUCTIONS AND RESTORATIONS.—Amendments to the plan taking effect after the applicable effective date

shall be taken into account to the extent  
that such amendments—

(I) reduce benefit costs or eliminate existing benefits, or

(II) increase benefit costs or add new benefits with the effect of restoring levels of benefit costs to levels in effect prior to any reduction described in subclause (I), or restoring benefits which were eliminated as described in subclause (I).

(E) INCREASES IN CONSUMER PRICE INDEX TAKEN INTO ACCOUNT.—For purposes of determining qualified expenditures under this paragraph, increases since the applicable effective date in the costs of items and services constituting qualified retiree health benefits under a plan shall be allowed under this section to the extent that such increases do not exceed the annual rate of increase in the consumer price index for all urban consumers (U.S. city average) issued by the Bureau of Labor Statistics.

(F) ADJUSTMENT TO CONTRIBUTIONS IN THE EVENT OF TRUST FUND INSUFFICIENCY.—If the Board determines during any calendar

1 year that, as of any date during the following  
2 calendar year, the balance in the Trust Fund  
3 will be insufficient to meet all contributions oth-  
4 erwise required under this section to be made  
5 from the Trust Fund for such following cal-  
6 endar year—

7 (i) the Board shall immediately pub-  
8 lish such determination in the Federal  
9 Register, and

10 (ii) the Board shall distribute the bal-  
11 ance in the Trust Fund available for con-  
12 tributions payable during such following  
13 calendar year among all plans required to  
14 receive contributions for such following cal-  
15 endar year in direct proportion to the  
16 number of eligible participants and eligible  
17 beneficiaries under the plans as of the be-  
18 ginning of such following calendar year.

19 Such distribution to the plans shall be deemed  
20 payment in full of contributions required to be  
21 made to such plans under this section for such  
22 calendar year. Determinations under this sec-  
23 tion with respect to any calendar year shall be  
24 made irrespective of any distribution from the

1 Trust Fund made pursuant to this subpara-  
 2 graph for the prior calendar year.

3 (e) REDUCTION OF REQUIRED CONTRIBUTIONS.—If  
 4 the Board determines during any calendar year that, as  
 5 of any date during the following calendar year, the balance  
 6 in the Trust Fund will be in excess of the amount nec-  
 7 essary to meet all contributions required under this section  
 8 to be made from the Trust Fund for such following cal-  
 9 endar year—

10 (1) the Board shall immediately publish such  
 11 determination in the Federal Register, and

12 (2) the Board shall certify to the Secretary of  
 13 the Treasury the amount of such excess.

14 **SEC. 204. EXCISE TAX ON STEEL.**

15 (a) IN GENERAL.—Chapter 32 of the Internal Rev-  
 16 enue Code of 1986 (relating to manufacturers excise  
 17 taxes) is amended by inserting after subchapter D the fol-  
 18 lowing new subchapter:

19 **“Subchapter E—Steel**

“Sec. 4191. Imposition of Tax.

20 **“SEC. 4191. IMPOSITION OF TAX.**

21 “(a) IMPOSITION OF TAX.—There is hereby imposed  
 22 a tax on steel sold by the manufacturer, producer, or im-  
 23 porter thereof.

24 “(b) DETERMINATION OF TAX.—

1           “(1) IN GENERAL.—The amount of tax imposed  
2           by subsection (a) shall be the applicable percentage  
3           of the price at which the steel is sold.

4           “(2) APPLICABLE PERCENTAGE.—For purposes  
5           of paragraph (1), the applicable percentage for any  
6           taxable year shall be 1.5 percent reduced (but not  
7           below zero) by the excess contribution percentage.

8           “(3) EXCESS CONTRIBUTION PERCENTAGE.—  
9           For purposes of paragraph (2), the excess contribu-  
10          tion percentage for a calendar year is the number of  
11          percentage points which the Secretary determines  
12          will, as of the last day of such calendar year, reduce  
13          to zero the excess (if any) of the amount necessary  
14          to meet all contributions required under section 203  
15          of the Steel Revitalization Act of 2001 to be made  
16          from the Steelworker Retiree Health Care Trust  
17          Fund for such calendar year. The Secretary shall  
18          make such determination on the basis of the certifi-  
19          cation made by the Steel Retiree Health Care Board  
20          under section 203(e) of such Act.

21          “(c) LIABILITY FOR TAX.—The tax imposed by sub-  
22          section (a) shall be paid by the manufacturer, producer,  
23          or importer.

24          “(d) DEFINITIONS AND SPECIAL RULES.—For pur-  
25          poses of this subchapter—

1           “(1) STEEL.—The term ‘steel’ means steel in  
 2           any of the following categories of steel products:  
 3           semifinished steel, stainless steel, plates, sheets and  
 4           strips, rods, wire and wire products, rail type prod-  
 5           ucts, bars, structural shapes and units, pipes and  
 6           tubes, iron ore, pig iron, and coke and coke prod-  
 7           ucts.

8           “(2) IMPORTER.—The term ‘importer’ means  
 9           the person entering the steel for consumption or use.

10          “(3) UNITED STATES.—The term ‘United  
 11          States’ includes any foreign trade zone of the United  
 12          States.”.

13          (b) EXEMPTIONS, ETC., NOT TO APPLY.—

14               (1) Subsection (a) of section 4218 of such Code  
 15               is amended by inserting “and steel taxable under  
 16               section 4191,” after “4121,”.

17               (2) Subsection (a) of section 4221 of such Code  
 18               is amended by inserting “4191,” after “4121,”.

19               (3) The third sentence of section 6416(b)(2) of  
 20               such Code is amended by striking “or 4121” and in-  
 21               serting “, 4121, and 4191”.

22          (c) CLERICAL AMENDMENT.—The table of sub-  
 23          chapters for chapter 32 of such Code is amended by in-  
 24          serting after the item relating to subchapter D the fol-  
 25          lowing new item:

“SUBCHAPTER E—STEEL.”.



1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to sales occurring after 180 days  
 3 after the date of enactment of this Act.

4 **TITLE III—STEEL LOAN**  
 5 **GUARANTEE PROGRAM**

6 **SEC. 301. MODIFICATION TO STEEL LOAN GUARANTEE PRO-**  
 7 **GRAM.**

8 (a) IN GENERAL.—Section 101 of the Emergency  
 9 Steel Loan Guarantee Act of 1999 (Public Law 106–51;  
 10 15 U.S.C. 1841 note) is amended as follows:

11 (1) DOLLAR LIMITS AND ADDITIONAL COSTS.—

12 Subsection (f) is amended—

13 (A) in paragraph (2), by striking  
 14 “1,000,000,000” and inserting  
 15 “\$10,000,000,000;

16 (B) in paragraph (3), by striking  
 17 “\$250,000,000” and inserting “\$500,000,000”;

18 (C) in paragraph (4), by striking “as soon  
 19 as possible” and inserting “within 45 days”;  
 20 and

21 (D) in paragraph (5), by striking  
 22 “\$140,000,000” and inserting  
 23 “\$1,800,000,000”.

24 (2) REQUIREMENTS FOR LOAN GUARANTEES.—

25 Subsection (g) is amended—

1 (A) in the matter preceding paragraph (1),  
 2 by striking “a private bank or investment com-  
 3 pany” and inserting “an institution”;

4 (B) in paragraph (3), by striking “the  
 5 loan” and inserting “the portion of the loan”;

6 (C) in paragraph (4), by striking “and”  
 7 after the semicolon; and

8 (D) by striking paragraph (5) and insert-  
 9 ing the following:

10 “(5) the proceeds of the loan will not be used  
 11 for the purpose of enhancing the position or cash re-  
 12 covery of existing stockholders or financial creditors  
 13 beyond that which such stockholders and creditors  
 14 would have received without the loan; and

15 “(6) the company’s business plan maximizes the  
 16 retention of jobs and capacity consistent with the  
 17 long-term economic viability of the company.”.

18 (3) TERMS AND CONDITIONS.—Subsection (h)  
 19 is amended—

20 (A) in paragraph (1), by striking “2005”  
 21 and inserting “2015”;

22 (B) in paragraph (2), by striking the sec-  
 23 ond sentence and inserting the following: “The  
 24 Board may give the unguaranteed portion of  
 25 the loan different security, lien priority, and

1 payment preference than the guaranteed por-  
 2 tion of the loan.”; and

3 (C) by amending paragraph (4) to read as  
 4 follows:

5 “(4) GUARANTEE LEVEL.—Any loan guarantee  
 6 issued under this section may not exceed 95 percent  
 7 of the amount of principal of the loan, plus the  
 8 amount of any unpaid interest on the loan.”.

9 (4) REPORTS TO CONGRESS.—Subsection (i) is  
 10 amended by striking “of fiscal years 1999 and 2000,  
 11 and annually thereafter,” and inserting “fiscal  
 12 year”.

13 (5) SALARIES AND ADMINISTRATIVE EX-  
 14 PENSES.—Subsection (j) is amended—

15 (A) by striking “5,000,000” and inserting  
 16 “\$10,000,000”; and

17 (B) by striking “, which may be trans-  
 18 ferred” and all that follows through “Adminis-  
 19 tration”.

20 (6) TERMINATION OF GUARANTEE AUTHOR-  
 21 ITY.—Subsection (k) is amended by striking “2001”  
 22 and inserting “2003”.

23 (7) MONITORING, REPORTING, AND FORE-  
 24 CLOSURE PROCEDURES.—Subsection (l) is amended  
 25 by adding at the end the following: “All monitoring,

1 reporting, and foreclosure procedures established  
 2 with respect to loan guarantees issued under this  
 3 section shall be consistent with customary practices  
 4 in the commercial banking industry. Minor or inad-  
 5 vertent reporting violations shall not cause termi-  
 6 nation of any guarantee issued under this section.”.

7 (8) COMPOSITION OF GUARANTEE BOARD.—  
 8 Subsection (e) is amended by striking paragraphs  
 9 (1) through (3) and inserting the following:

10 “(1) the Secretary of Commerce, who shall  
 11 serve as chairman,

12 “(2) the Secretary of Labor, and

13 “(3) the Secretary of the Treasury,

14 or their respective designees.”.

15 (9) DEFINITION OF STEEL COMPANIES.—Sub-  
 16 section (c)(3)(B) is amended to read as follows:

17 “(B) is engaged in—

18 “(i) the production or manufacture of  
 19 a product identified by the American Iron  
 20 and Steel Institute as a basic steel mill  
 21 product, including ingots, slab and billets,  
 22 plates, flat-rolled steel, sections and struc-  
 23 tural products, bars, rail type products,  
 24 pipe and tube, and wire rod;

1 “(ii) the production or manufacture of  
 2 coke used in the production of steel; or  
 3 “(iii) the mining of iron ore; and”.

4 (b) CONFORMING AMENDMENT.—Section 101 of the  
 5 Emergency Steel Loan Guarantee Act of 1999 is further  
 6 amended by striking subsection (m).

7 (c) APPLICABILITY.—The amendments made by this  
 8 section shall apply only with respect to any guarantee  
 9 issued on or after the date of enactment of this Act.

## 10 **TITLE IV—INCENTIVES FOR** 11 **CONSOLIDATION**

### 12 **SEC. 401. GRANT PROGRAM FOR MERGED COMPANIES.**

13 (a) ELIGIBLE PERSONS.—Any person who acquires  
 14 another person that produces any of the steel products set  
 15 forth in section 101(c) may, during the 1-year period be-  
 16 ginning on the effective date of the acquisition, apply to  
 17 the Secretary of Commerce for a grant under this section  
 18 to defray the costs necessary—

19 (1) to bring the entity resulting from the acqui-  
 20 sition into compliance with requirements imposed by  
 21 laws to protect the environment; and

22 (2) to maintain such compliance.

23 (b) DETERMINATIONS BY THE SECRETARY OF COM-  
 24 MERCE.—

1           (1) EMPLOYMENT AND PRODUCTION RETEN-  
 2           TION.—Upon receipt of an application under sub-  
 3           section (a), the Secretary of Commerce shall deter-  
 4           mine whether or not the acquisition set out in the  
 5           application will promote the retention of jobs and  
 6           production capacity in the sector producing steel  
 7           products described in section 101(c). The Secretary  
 8           may make an affirmative determination under the  
 9           preceding sentence only if the Secretary determines  
 10          that after the acquisition—

11                   (A) the maximum number of workers of  
 12                   the acquiring person and the person acquired  
 13                   that are engaged in the production of steel  
 14                   products set out in section 101(c) on the day  
 15                   before the effective date of the acquisition will  
 16                   be retained, consistent with the long-term via-  
 17                   bility of the combined entity, except that such  
 18                   maximum number—

19                           (i) must be at least 80 percent of the  
 20                           total number of such workers; and

21                           (ii) must include at least 50 percent  
 22                           of the number of such workers of the ac-  
 23                           quired person; and

24                   (B) at least 80 percent of the facilities of  
 25                   the acquiring person and the person acquired

1           that are used for the production of those steel  
2           products on the day before the acquisition is  
3           completed will be retained.

4           (2) ENVIRONMENTAL COSTS.—If the Secretary  
5           of Commerce makes an affirmative determination  
6           under paragraph (1), the Secretary shall provide a  
7           grant to the applicant in an amount determined by  
8           the Secretary to cover the costs incurred or to be in-  
9           curred by the applicant—

10                   (A) in complying with the requirements  
11                   imposed by laws to protect the environment;  
12                   and

13                   (B) in maintaining such compliance.

14           (c) AUTHORIZATION; AMOUNT OF GRANTS.—

15                   (1) AUTHORIZATION.—There is authorized to  
16                   be appropriated to carry out this section  
17                   \$500,000,000.

18                   (2) AMOUNT OF GRANTS.—Not more than  
19                   \$100,000,000 may be provided to any applicant  
20                   under this section.

21           (d) PENALTIES.—

22                   (1) FAILURE TO ACHIEVE RETENTION LEVELS  
23                   IN FIRST 5 YEARS.—In any case in which a person  
24                   receives a grant under this section and, at any time  
25                   during the 5-year period after the grant is awarded,

the number of workers, or the production capacity, described in paragraph (1) of subsection (b) with respect to that applicant falls below the 80 percent level described in subparagraph (A)(i) or (B) of that paragraph, the applicant shall forfeit to the Secretary the dollar amount of the grant, plus 20 percent of that amount.

(2) FAILURE TO ACHIEVE RETENTION LEVELS AFTER FIRST 5 YEARS.—In any case in which a person receives a grant under this section and the number of workers, or the production capacity, described in paragraph (1) of subsection (b) with respect to that applicant falls below the 80 percent level described in subparagraph (A)(i) or (B) of that paragraph—

(A) during the 6th year after the grant is awarded, the applicant shall forfeit to the Secretary 50 percent of the dollar amount of the grant, plus 20 percent of that forfeited amount;

(B) during the 7th year after the grant is awarded, the applicant shall forfeit to the Secretary 40 percent of the dollar amount of the grant, plus 20 percent of that forfeited amount;

(C) during the 8th year after the grant is awarded, the applicant shall forfeit to the Sec-



1           retary 30 percent of the dollar amount of the  
2           grant, plus 20 percent of that forfeited amount;

3           (D) during the 9th year after the grant is  
4           awarded, the applicant shall forfeit to the Sec-  
5           retary 20 percent of the dollar amount of the  
6           grant, plus 20 percent of that forfeited amount;  
7           and

8           (E) during the 10th year after the grant is  
9           awarded, the applicant shall forfeit to the Sec-  
10          retary 10 percent of the dollar amount of the  
11          grant, plus 20 percent of that forfeited amount.

12          (3) COURT ACTION.—In the event of the failure  
13          of a person to forfeit any amount under paragraph  
14          (1) or (2), the Secretary of Commerce may bring an  
15          action in the appropriate district court against that  
16          person to collect that amount.

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