

Public Law 101-221
101st Congress

An Act

Dec. 12, 1989

[H.R. 3275]

Steel Trade
Liberalization
Program
Implementation
Act.
Business and
industry.
Imports.
19 USC 2101
note.

To implement the steel trade liberalization program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Steel Trade Liberalization Program Implementation Act".

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSES; SENSE OF CONGRESS REGARDING THE STEEL TRADE LIBERALIZATION PROGRAM.

(a) **FINDINGS AND PURPOSES.**—Section 802 of the Steel Import Stabilization Act (19 U.S.C. 2253 note) is amended to read as follows:

"SEC. 802. FINDINGS AND PURPOSES.

"(a) The Congress finds that—

"(1) since 1984, the United States steel industry has made significant progress toward adjustment, through modernization of production facilities, elimination of excess capacity, reduction of production costs, and improvement of productivity;

"(2) an extension of import relief, through transitional bilateral arrangements, for a period of two and one-half years will facilitate the steel industry's continued modernization and worker retraining;

"(3) liberalization of market access during the period of transitional bilateral arrangements, with preferential treatment for countries who support fair and open trade, will help ensure an orderly return to an open market;

"(4) the negotiation of an international consensus through the Uruguay Round of trade negotiations and through bilateral agreements to address subsidies and tariff and nontariff barriers will strengthen the international trading system and conditions of global steel trade; and

"(5) the termination of transitional bilateral arrangements by March 31, 1992, and the full and forceful application of the United States unfair trade laws, will protect the United States national interest in preserving conditions of fair and open trade in the United States market.

"(b) The purposes of this title are—

"(1) to endorse the principles and goals of the steel trade liberalization program as announced by the President on July 25, 1989, and provide for its implementation;

"(2) to grant specific enforcement powers to the President to carry out the terms and conditions of bilateral arrangements entered into for purposes of implementing that program; and

"(3) to make the continuation of those powers subject to the condition that the steel industry continue to modernize its plant and equipment and provide for appropriate worker retraining."

(b) SENSE OF CONGRESS.—Section 803 of the Steel Import Stabilization Act is amended to read as follows:

19 USC 2253
note.

“SEC. 803. SENSE OF CONGRESS REGARDING THE STEEL TRADE LIBERALIZATION PROGRAM.

“(a) The Congress supports the full and effective implementation of the steel trade liberalization program.

“(b) It is the sense of the Congress that the steel trade liberalization program should be implemented in a manner which provides for liberalized market access for steel products during the period in which bilateral arrangements remain authorized in order to prepare for the eventual termination of such arrangements in 1992 and reliance thereafter on market forces and the full enforcement of United States trade laws. In particular, liberalized market access should be provided to those foreign countries that work with the United States to achieve the goals referred to in subsection (c).

“(c) It is further the sense of the Congress that the United States Trade Representative should promptly conduct negotiations, through the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade and through complementary bilateral arrangements, to seek an international consensus regarding steel trade that provides for—

“(1) strong disciplines over trade-distorting government subsidies;

“(2) the lowering of trade barriers so as to ensure market access; and

“(3) enforcement measures to deal with violations of consensus obligations.

“(d) The President shall provide to the Congress an annual assessment of the progress of the negotiations referred to in subsection (c). The President may include the assessment in the annual report required under section 163(a) of the Trade Act of 1974 (19 U.S.C. 2213(a)) regarding the trade agreements program.”

President of U.S.
Reports.

SEC. 3. EXTENSION OF ACT.

(a) EXTENSION UNTIL APRIL 1, 1992.—Section 806(a) of the Steel Import Stabilization Act is amended—

(1) by striking out “the fifth anniversary of the effective date of this title” in paragraph (1) and inserting “March 31, 1992”; and

(2) by striking out “or fourth” in paragraph (2) and inserting “fourth, fifth, sixth, or seventh”.

19 USC 2253
note.

(b) SPECIAL PROVISION.—If the Steel Trade Liberalization Program Implementation Act is not enacted on or before October 1, 1989, then section 806(a)(2) of the Steel Import Stabilization Act (as amended by subsection (a)) shall be applied by treating the reference therein to the close of the fifth anniversary of the effective date of the Steel Import Stabilization Act as a reference to the close of the 30th day after the date of the enactment of the Steel Trade Liberalization Program Implementation Act.

19 USC 2253
note.

SEC. 4. ENFORCEMENT AUTHORITY.

(a) INTERIM AUTHORITY.—Section 805(a) of the Steel Import Stabilization Act is amended by adding at the end thereof the following new sentence: “The President is further authorized to carry out, between October 1, 1989, and the date of the concluding of any

19 USC 2253
note.

bilateral arrangement, such actions as may be necessary or appropriate to ensure an orderly transition to that arrangement.”.

(b) **SHORT SUPPLY SITUATIONS.**—Section 805(b) of the Steel Import Stabilization Act is amended to read as follows:

“(b)(1) If—

“(A) a bilateral arrangement includes a provision relating to short supply situations; and

“(B) the Secretary of Commerce (hereinafter in this subsection referred to as the ‘Secretary’) determines, in accordance with this subsection, that a short supply situation exists in the United States with respect to a steel product that is subject to a quantitative limitation under such arrangement;

the Secretary shall authorize the importation of additional quantities of that product without regard to any aggregate quantitative import limitation in effect under such arrangement.

“(2) In determining under this subsection whether a short supply situation exists in the United States with respect to a steel product, the Secretary shall take into account all relevant factors, including—

“(A) (to the extent information is available) the recent levels of capacity utilization for domestic facilities producing the product;

“(B) the quantity of the steel product requested in a short supply petition and the ability of domestic producers to supply the product in such quantity;

“(C) the willingness of a domestic producer to supply the steel product at a price which is not an aberration from prevailing domestic market prices;

“(D) reasonable specifications requested by the purchaser or any end user; and

“(E) delivery times to the purchaser and any end user of the steel product.

“(3)(A) A petition requesting a determination under this subsection may be filed with the Secretary. The petition must be in such form and contain such relevant information as the Secretary requires.

“(B) If the Secretary considers that a petition filed under subparagraph (A) is adequate, the Secretary shall promptly cause to be published in the Federal Register a notice that a determination under this subsection with respect to the steel product concerned is under consideration.

“(C) The Secretary shall provide opportunity for comment by interested persons regarding the issues raised in a petition.

“(D)(i) The petitioner shall certify that the factual information contained in the petition and any additional submission is accurate and complete to the best of the petitioner’s knowledge.

“(ii) An interested person shall certify that the factual information submitted by that person to the Secretary is accurate and complete to the best of the person’s knowledge.

“(4)(A) If an adequate petition is filed under paragraph (3)(A), the Secretary shall determine, not later than the day specified in subparagraph (B)—

“(i) whether a short supply situation exists in the United States with respect to the steel product; and

“(ii) if the determination under clause (i) is affirmative, the quantity of the steel product that the Secretary will authorize for importation.

19 USC 2253
note.

Federal
Register,
publication.

“(B) The Secretary must make a determination with respect to a petition not later than—

“(i) the 15th day after the day on which the petition is filed if—

“(I) the raw steel making capacity utilization in the United States equals or exceeds 90 percent,

“(II) the importation of additional quantities of the steel product was authorized by the Secretary during each of the 2 immediately preceding years, or

“(III) the Secretary finds, on the basis of available information (and whether or not in the context of a determination under this subsection), that the steel product is not produced in the United States; or

“(ii) the 30th day after the day on which the petition was filed if neither subclause (I), (II), or (III) of clause (i) applies.

“(C) In making a determination with respect to which subparagraph (B)(i) applies, the Secretary shall apply a rebuttable presumption that the short supply situation alleged in the petition exists.

“(D) The Secretary shall cause to be published in the Federal Register notice of each determination made under this subsection setting forth the reasons for the determination.

Federal Register, publication.

“(5) If under this subsection the Secretary authorizes the importation of a specified quantity of a steel product, the Secretary shall notify a representative of the appropriate foreign government and issue to the petitioner the necessary documentation to permit the importation of that quantity.

“(6) The Secretary shall prescribe regulations to carry out this subsection. The interim text of such regulations shall be issued on or before the 30th day after the date of the enactment of the Steel Trade Liberalization Program Implementation Act. The regulations shall provide for transparency and fairness in the process of making short supply determinations, and shall be consistent with the President’s announcement on July 25, 1989, establishing the steel trade liberalization program.”

Regulations.

(c) CONFORMING AMENDMENTS.—Section 805 is further amended—

(1) by amending subsection (c) by striking out “may provide” and inserting “, in consultation with the Secretary of Commerce, shall provide”; and

(2) by striking out “President’s Steel Policy,” in subsection (d)(3) and inserting “steel trade liberalization program”.

SEC. 5. DEFINITIONS.

Section 804 of the Steel Import Stabilization Act is amended—

(1) by inserting “or the steel trade liberalization program” before the period at the end of paragraph (1); and

(2) by adding at the end thereof the following:

“(4) The term ‘steel trade liberalization program’ means the program, announced by the President on July 25, 1989, designed to achieve an orderly transition to open markets, the continued modernization and adjustment of the steel industry, and the negotiation of an international consensus to restore fair and open steel trade.”

19 USC 2253 note.

SEC. 6. DOMESTIC INDUSTRY EFFORTS TO IMPROVE QUALITY AND SERVICE AND TO PROVIDE WORKER TRAINING.

(a) IN GENERAL.—Section 806(b) of the Steel Import Stabilization Act is amended—

19 USC 2253 note.

(1) by amending paragraph (2)(A) to read as follows:

“(A) The term ‘major company’ means an enterprise that produces iron and steel and whose raw steel production in the United States during 1988 exceeded 2,000,000 net tons.”; and

(2) by adding at the end of paragraph (3) the following: “For purposes of this paragraph, the United States International Trade Commission shall seek to—

“(A) obtain information from purchasers of domestic steel products, as well as from domestic producers of steel products, regarding recent improvements in domestic quality and service, including those that result from industry modernization; and

“(B) obtain information on—

“(i) the general nature of the worker retraining efforts undertaken by the steel industry, and

“(ii) with respect to the moneys referred to in paragraph (1)(B), the amounts used to retrain displaced former employees as compared with the amounts used for on-the-job retraining within the industry.”.

(b) SPECIAL RULE.—The amendment made by subsection (a)(1) shall not affect the definition of “qualified corporation” contained in section 212(g)(1)(A) of the Tax Reform Act of 1986.

SEC. 7. ETHYL ALCOHOL AND MIXTURES THEREOF FOR FUEL USE.

(a) DETERMINATION OF INDIGENOUS PRODUCTS.—Section 423(c) of the Tax Reform Act of 1986 (19 U.S.C. 2703 note) is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) by striking out paragraph (2) and inserting the following:

“(2) Ethyl alcohol or a mixture thereof that is produced by a process of full fermentation in an insular possession or beneficiary country shall be treated as being an indigenous product of that possession or country.

“(3)(A) Ethyl alcohol and mixtures thereof that are only dehydrated within an insular possession or beneficiary country (hereinafter in this paragraph referred to as ‘dehydrated alcohol and mixtures’) shall be treated as being indigenous products of that possession or country only if the alcohol or mixture, when entered, meets the applicable local feedstock requirement.

“(B) The local feedstock requirement with respect to any calendar year is—

“(i) 0 percent with respect to the base quantity of dehydrated alcohol and mixtures that is entered;

“(ii) 30 percent with respect to the 35,000,000 gallons of dehydrated alcohol and mixtures next entered after the base quantity; and

“(iii) 50 percent with respect to all dehydrated alcohol and mixtures entered after the amount specified in clause (ii) is entered.

“(C) For purposes of this paragraph:

“(i) The term ‘base quantity’ means, with respect to dehydrated alcohol and mixtures entered during any calendar year, the greater of—

“(I) 60,000,000 gallons; or

“(II) an amount (expressed in gallons) equal to 7 percent of the United States domestic market for ethyl alcohol, as determined by the United States Inter-

national Trade Commission, during the 12-month period ending on the preceding September 30; that is first entered during that calendar year.

“(ii) The term ‘local feedstock’ means hydrous ethyl alcohol which is wholly produced or manufactured in any insular possession or beneficiary country.

“(iii) The term ‘local feedstock requirement’ means the minimum percent, by volume, of local feedstock that must be included in dehydrated alcohol and mixtures.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply with respect to calendar years 1990 and 1991.

19 USC 2703
note.

SEC. 8. CONSISTENCY OF THE SUPERFUND PETROLEUM TAX WITH THE GENERAL AGREEMENT ON TARIFFS AND TRADE.

(a) **UNIFORM RATE.**—Section 4611(c)(2)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 4611(c)(2)(A)) is amended to read as follows:

“(A) the Hazardous Substance Superfund financing rate is 9.7 cents a barrel, and”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

26 USC 4611
note.

SEC. 9. EFFECTIVE DATE.

The amendments made by this Act (other than the amendments made by sections 7 and 8) shall take effect on October 1, 1989.

19 USC 2253
note.

Approved December 12, 1989.

LEGISLATIVE HISTORY—H.R. 3275:

HOUSE REPORTS: No. 101-263 (Comm. on Ways and Means).

SENATE REPORTS: No. 101-206 (Comm. on Finance).

CONGRESSIONAL RECORD, Vol. 135 (1989):

Oct. 2, considered and passed House.

Nov. 21, considered and passed Senate, amended. House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 25 (1989):

Dec. 12, Presidential statement.