

107TH CONGRESS  
1ST SESSION

# H. R. 808

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2001

Mr. VISCOSKY (for himself, Mr. QUINN, Mr. KUCINICH, Mr. ENGLISH, Mr. MURTHA, Mr. NEY, Mr. CARDIN, Ms. HART, Mr. COYNE, Mr. BILIRAKIS, Mrs. JONES of Ohio, Mr. WALSH, Mr. MOLLOHAN, Mr. HORN, Mr. MATSUI, Mr. EVANS, Mr. COSTELLO, Mr. BROWN of Ohio, Ms. KAPTUR, Mr. MASCARA, Mr. LIPINSKI, Mr. OBERSTAR, Mr. RAHALL, Mr. STRICKLAND, Mr. BRADY of Pennsylvania, Mr. BONIOR, Mr. DINGELL, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. BARCIA, Mr. BERRY, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. BOSWELL, Mr. BOUCHER, Mr. BOYD, Ms. BROWN of Florida, Mrs. CHRISTENSEN, Mr. CLYBURN, Mr. CONYERS, Mr. CRAMER, Mr. CROWLEY, Mr. CUMMINGS, Mr. FILNER, Mr. FROST, Mr. GORDON, Mr. GREEN of Texas, Mr. HALL of Ohio, Mr. HILLIARD, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOLDEN, Ms. HOOLEY of Oregon, Mr. JACKSON of Illinois, Mr. KANJORSKI, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECKZA, Mrs. McCARTHY of New York, Ms. McCARTHY of Missouri, Mr. McGOVERN, Mr. MCINTYRE, Ms. MCKINNEY, Mr. McNULTY, Mr. MENENDEZ, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Ms. NORTON, Mr. PALLONE, Mr. PASCRELL, Mr. PETERSON of Pennsylvania, Mr. PHELPS, Ms. RIVERS, Mr. RODRIGUEZ, Mr. SANDERS, Mr. SANDLIN, Mr. SAWYER, Mr. SCOTT, Mr. SHIMKUS, Mr. THOMPSON of Mississippi, Mrs. THURMAN, Mr. TOWNS, Mr. TRAFICANT, Mr. WEXLER, and Mr. WYNN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

# 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

See. 101. Reduction in volume of steel imports.

See. 102. Steel import notification and monitoring program.

## TITLE II—LEGACY COST SHARING

See. 201. Steel Retiree Health Care Board.

See. 202. Steelworker Retiree Health Care Trust Fund.

See. 203. Health Care Benefit Costs Assistance Program.

See. 204. Excise tax on steel.

## TITLE III—STEEL LOAN GUARANTEE PROGRAM

See. 301. Modification to steel loan guarantee program.

## TITLE IV—INCENTIVES FOR CONSOLIDATION

See. 401. Grant program for merged companies.

8       **TITLE I—IMPORT RELIEF**

9   **SEC. 101. REDUCTION IN VOLUME OF STEEL IMPORTS.**

10       (a) REDUCTION.—Notwithstanding any other provi-  
11 sion of law, within 60 days after the date of the enactment  
12 of this Act, the President shall take the necessary steps,  
13 by imposing quotas, tariff surcharges, negotiated enforce-

1 able voluntary export restraint agreements, or other meas-  
2 ures, on imports of steel products to ensure that—

3 (1) the tonnage of iron ore, coke and coke prod-  
4 ucts, semifinished steel, and pig iron imported into  
5 the United States during any month does not exceed  
6 the average tonnage of each such product that was  
7 imported monthly into the United States during the  
8 36-month period preceding July 1997; and

9 (2) in the case of any other steel product to  
10 which this section applies, the share of domestic con-  
11 sumption of each such steel product in the United  
12 States that is derived from imports during any  
13 month does not exceed the average monthly share of  
14 domestic consumption of that steel product in the  
15 United States that was derived from imports during  
16 any month in the 36-month period preceding July  
17 1997. Determinations of share of future domestic  
18 consumption for purposes of paragraph (2) shall be  
19 based on projections made from the best available  
20 information.

21 (b) ENFORCEMENT AUTHORITY.—Within 60 days  
22 after the date of the enactment of this Act, the Secretary  
23 of the Treasury, through the United States Customs Serv-  
24 ice, and the Secretary of Commerce shall implement a pro-  
25 gram for administering and enforcing the restraints on

1 imports under subsection (a). The Customs Service is au-  
2 thorized to refuse entry into the customs territory of the  
3 United States of any steel products that exceed the allow-  
4 able levels of imports of such products.

5 (c) APPLICABILITY.—This section shall apply to the  
6 following categories of steel products: semifinished steel,  
7 stainless steel, plates, sheets and strips, rods, wire and  
8 wire products, rail type products, bars, structural shapes  
9 and units, pipes and tubes, iron ore, pig iron, and coke  
10 and coke products.

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

15 (1) the President determines that the product  
16 cannot be supplied by the domestic industry in com-  
17 mercial quantities in a timely manner;

18 (2) the President has obtained advice regarding  
19 that determination from the appropriate advisory  
20 committee established under section 135 of the  
21 Trade Act of 1974 (19 U.S.C. 2155) and the United  
22 States International Trade Commission;

23 (3) the President has submitted to the Congress  
24 a report that sets forth that determination and the

1 reasons therefor, and the advice obtained under  
2 paragraph (2); and

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

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

8 **SEC. 102. STEEL IMPORT NOTIFICATION AND MONITORING**  
9 **PROGRAM.**

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

19 (b) STEEL IMPORT NOTIFICATION CERTIFICATES.—  
20 (1) IN GENERAL.—In order to obtain a steel  
21 import notification certificate, an importer shall sub-  
22 mit to the Secretary of Commerce an application  
23 containing—

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

- (B) the name and address of the supplier of the goods to be imported;
- (C) the name and address of the producer of the goods to be imported;
- (D) the country of origin of the goods;
- (E) the country from which the goods are to be imported;
- (F) the United States Customs port of entry where the goods will be entered;
- (G) the expected date of entry of the goods into the United States;
- (H) a description of the goods, including the classification of such goods under the Harmonized Tariff Schedule of the United States;
- (I) the quantity (in kilograms and net tons) of the goods to be imported;
- (J) the cost insurance freight (CIF) and free alongside ship (FAS) values of the goods to be entered;
- (K) whether the goods are being entered for consumption or for entry into a bonded warehouse or foreign trade zone;
- (L) a certification that the information furnished in the certificate application is correct;

1 (M) the process used to produce the goods  
2 and the estimated amount of toxic material  
3 emitted into the air, earth, and water as a re-  
4 sult of that process;

5 (N) wages and benefits paid to the workers  
6 producing the goods; and

24 (c) STATISTICAL INFORMATION.—

4 (2) INFORMATION DESCRIBED.—Information  
5 described in this paragraph is information obtained  
6 from steel import notification certificate applications  
7 concerning products classified under chapter 72 or  
8 73 of the Harmonized Tariff Schedule of the United  
9 States that are imported into the United States and  
10 includes with respect to such imports the Harmonized  
11 Tariff Schedule of the United States classification  
12 (to the tenth digit), the country of origin,  
13 the port of entry, quantity, value of the products im-  
14 ported, and whether the imports are entered for con-  
15 sumption or are entered into a bonded warehouse or  
16 foreign trade zone. Such information shall also be  
17 compiled in aggregate form and made publicly avail-  
18 able by the Secretary of Commerce on a weekly basis  
19 by public posting through an Internet website. The  
20 information provided under this section shall be in  
21 addition to any information otherwise required by  
22 law.

23 (d) FEES.—The Secretary of Commerce may pre-  
24 scribe reasonable fees and charges to defray the costs of

1 carrying out the provisions of this section, including a fee  
2 for issuing a certificate under this section.

3 (e) SINGLE PRODUCER AND EXPORTER COUN-  
4 TRIES.—Notwithstanding any other provision of law, the  
5 Secretary of Commerce shall make publicly available all  
6 information required to be released under subsection (c),  
7 including information obtained regarding imports from a  
8 foreign producer or exporter that is the only producer or  
9 exporter of goods subject to this section from a foreign  
10 country.

11 (f) REGULATIONS.—The Secretary of Commerce may  
12 prescribe such rules and regulations relating to the steel  
13 import notification and monitoring program as may be  
14 necessary to carry out this section.

15 **TITLE II—LEGACY COST  
16 SHARING**

17 **SEC. 201. STEEL RETIREE HEALTH CARE BOARD.**

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

20 (b) COMPOSITION.—The Board shall be composed of  
21 5 members appointed by the Secretary of Labor, of  
22 whom—

23 (1) one shall be designated by the Secretary as  
24 Chairman;

11 (5) one shall represent the interests of the steel  
12 and iron or industry.

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

16 (d) LENGTH OF APPOINTMENTS.—

19 (2) VACANCIES.—

20 (A) IN GENERAL.—A vacancy on the  
21 Board shall be filled in the manner in which the  
22 original appointment was made and shall be  
23 subject to any conditions that applied with re-  
24 spect to the original appointment.

1 (B) COMPLETION OF TERM.—An indi-  
2 vidual chosen to fill a vacancy shall be ap-  
3 pointed for the unexpired term of the member  
4 replaced.

8 (f) DUTIES.—The Board shall—

18 (g) ADMINISTRATIVE PROVISIONS.—

19 (1) IN GENERAL.—The Board may—

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

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

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

24 (A) at least semiannually; and

1 (B) at additional times at the call of the  
2 Chairman.

### 3 (3) EXERCISE OF POWERS.—

10 (B) VACANCIES.—A vacancy on the Board  
11 shall not impair the authority of a quorum of  
12 the Board to perform the functions and exercise  
13 the powers of the Board.

14 (h) COMPENSATION.—

1 member's home or regular place of business in the  
2 performance of the duties of the Board.

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

6 **SEC. 202. STEELWORKER RETIREE HEALTH CARE TRUST**  
7 **FUND.**

8 (a) CREATION OF TRUST FUND.—There is estab-  
9 lished in the Treasury of the United States a trust fund  
10 to be known as the “Steelworker Retiree Health Care  
11 Trust Fund”, consisting of such amounts as may be ap-  
12 propriated or credited to the Steelworker Retiree Health  
13 Care Trust Fund as provided in this section.

14 (b) TRANSFER OF DESIGNATED AMOUNTS TO TRUST  
15 FUND.—There is hereby appropriated to the Steelworker  
16 Retiree Health Care Trust Fund amounts equivalent to  
17 the taxes received in the Treasury under section 4191 of  
18 the Internal Revenue Code of 1986 (relating to excise tax  
19 on steel).

20 (c) EXPENDITURES FROM TRUST FUND.—

21 (1) HEALTH CARE BENEFIT COST PAYMENTS.—  
22 The Secretary of the Treasury shall make payments  
23 from the Trust Fund in accordance with section  
24 203.

## 6 SEC. 203. HEALTH CARE BENEFIT COSTS ASSISTANCE PRO-

7 GRAM.

8       (a) ESTABLISHMENT OF PROGRAM.—The Steel Re-  
9 tiree Health Care Board shall establish by regulation a  
10 Health Care Benefit Costs Assistance Program under  
11 which the Board shall provide for payments under this sec-  
12 tion from the balance in the Steelworker Retiree Health  
13 Care Trust Fund to designated steelworker group health  
14 plans to assist in the funding of qualified retiree health  
15 benefits under such plans.

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

17 (1) DESIGNATED STEELWORKER GROUP  
18 HEALTH PLAN —

19 (A) IN GENERAL.—The term “designated  
20 steelworker group health plan” means a group  
21 health plan—

22 (i) under which participants and bene-  
23 ficiaries include retired steelworker partici-  
24 pants or their beneficiaries, and

4 (B) PLANS MAINTAINED IN CONNECTION  
5 WITH SUBSEQUENT ACQUISITIONS.—A group  
6 health plan meets the requirements of this sub-  
7 paragraph if—

12 (ii) a person who was engaged in, or  
13 resulted from, such acquisition is obligated,  
14 under the terms of the plan as in effect  
15 immediately after such determination, to  
16 make contributions to the plan.

17 (C) SUCCESSOR PLANS.—Any group health  
18 plan described in subparagraph (A)(i) of sub-  
19 paragraph (A) which is a successor to a termi-  
20 nated designated steelworker group health plan  
21 (as defined in subparagraph (A)) shall be treat-  
22 ed as such designated steelworker group health  
23 plan to the extent that it provides benefits to  
24 individuals who were eligible steelworker partici-

3 (i) such benefits are at least equiva-  
4 lent to the benefits provided by the termi-  
5 nated plan immediately before its termi-  
6 nation, or

19 (A) to an eligible steelworker participant  
20 who retired under such plan prior to the date  
21 of the enactment of this Act (or to an eligible  
22 beneficiary of such a participant), or

23 (B) in the case of a plan described in para-  
24 graph (1)(B), to an eligible steelworker partici-  
25 pant who retires under such plan during the

1           180-day period beginning with the applicable ef-  
2           fective date (or to an eligible beneficiary of such  
3           a participant).

4           (3) STEELWORKER PARTICIPANT.—The term  
5           “steelworker participant” means a participant who  
6           was, while employed as a participant in the plan, ac-  
7           tively engaged in the production of any steel product  
8           specified in section 101(c).

9           (4) APPLICABLE EFFECTIVE DATE.—The term  
10          “applicable effective date” means the date of the en-  
11          actment of this Act, except that, in the case of a  
12          plan meeting the requirements of paragraph (1)(B),  
13          such term means the date of the affirmative decision  
14          of the Secretary of Commerce referred to in para-  
15          graph (1)(B).

16          (5) ELIGIBILITY.—A steelworker participant  
17          under a designated steelworker group health plan  
18          (or such a participant’s beneficiary) for any plan  
19          year is “eligible” for such plan year if such partici-  
20          pant or beneficiary was a participant or beneficiary  
21          under such plan as of the applicable effective date  
22          and has remained a participant or beneficiary under  
23          such plan without an intervening break in coverage.  
24          For purposes of this paragraph, a suspension of ben-  
25          efits by reason of a case under chapter 11 of title

1       11, United States Code, or under any similar Fed-  
2       eral law or law of a State or political subdivision of  
3       a State shall not be treated as a break in coverage.

4               (6) OTHER DEFINITIONS.—Terms used in this  
5       section which are defined in sections 3 and 733(a)  
6       of the Employee Retirement Income Security Act of  
7       1974 (29 U.S.C. 1002 and 1191b(a)) shall have the  
8       meanings provided such terms in such sections.

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

19               (d) PAYMENT OF CONTRIBUTIONS.—

20               (1) IN GENERAL.—Upon receipt of an applica-  
21      tion with respect to a designated steelworker group  
22      health plan filed with the Board in accordance with  
23      subsection (c), the Board shall pay contributions to  
24      the plan from the Trust Fund for each calendar year  
25      beginning after the 180-day period described in sub-

1 section (c). Such contributions shall be allocated to  
2 plan years which do not coincide with calendar years  
3 as provided in regulations of the Board.

4 (2) AMOUNT OF CONTRIBUTIONS.—

5 (A) IN GENERAL.—Subject to subparagraph  
6 graph (F), total contributions paid to a plan  
7 under this section for any calendar year shall be  
8 equal to 75 percent of the qualified expendi-  
9 tures of the plan made during such calendar  
10 year.

11 (B) QUALIFIED EXPENDITURES.—For pur-  
12 poses of subparagraph (A), the term “qualified  
13 expenditures” of a plan for any calendar year  
14 means the costs of items and services consti-  
15 tuting qualified retiree health benefits paid by  
16 the plan during such calendar year, employing  
17 the cost levels for such items and services that  
18 prevailed as of the applicable effective date.

19 (C) ACCOUNTING FOR QUALIFIED EXPEND-  
20 ITURES.—The Board shall provide by regula-  
21 tion for the payment of contributions under this  
22 section for any calendar year in periodic install-  
23 ments, determined on the basis of information  
24 currently received by the Board with respect to  
25 the qualified expenditures of the plan and such

1           estimates as the Board considers appropriate.  
2           Adjustments shall be made in the amount of  
3           such installments to the extent necessary to  
4           compensate for payments of prior installments  
5           that were less than or greater than the correct  
6           amount.

## 7 (D) EFFECT OF SUBSEQUENT PLAN

8 AMENDMENTS DISREGARDED.—

9 (i) IN GENERAL.—Subject to clause  
10 (ii), for purposes of determining qualified  
11 expenditures under this paragraph, any  
12 amendment to the plan taking effect after  
13 the applicable effective date shall be dis-  
14 regarded to the extent that it increases  
15 benefit costs or adds new benefits.

16 (ii) REDUCTIONS AND RESTORA-  
17 TIONS.—Amendments to the plan taking  
18 effect after the applicable effective date  
19 shall be taken into account to the extent  
20 that such amendments—

21 (I) reduce benefit costs or elimi-  
22 nate existing benefits, or

23 (II) increase benefit costs or add  
24 new benefits with the effect of restor-  
25 ing levels of benefit costs to levels in

1 effect prior to any reduction described  
2 in subclause (I), or restoring benefits  
3 which were eliminated as described in  
4 subclause (I).

5 (E) INCREASES IN CONSUMER PRICE  
6 INDEX TAKEN INTO ACCOUNT.—For purposes  
7 of determining qualified expenditures under this  
8 paragraph, increases since the applicable effec-  
9 tive date in the costs of items and services con-  
10 stituting qualified retiree health benefits under  
11 a plan shall be allowed under this section to the  
12 extent that such increases do not exceed the an-  
13 nual rate of increase in the consumer price  
14 index for all urban consumers (U. S. city aver-  
15 age) issued by the Bureau of Labor Statistics.

16 (F) ADJUSTMENT TO CONTRIBUTIONS IN  
17 THE EVENT OF TRUST FUND INSUFFICIENCY.—  
18 If the Board determines during any calendar  
19 year that, as of any date during the following  
20 calendar year, the balance in the Trust Fund  
21 will be insufficient to meet all contributions oth-  
22 erwise required under this section to be made  
23 from the Trust Fund for such following cal-  
24 endar year—

1 (i) the Board shall immediately pub-  
2 lish such determination in the Federal  
3 Register, and

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

Such distribution to the plans shall be deemed payment in full of contributions required to be made to such plans under this section for such calendar year. Determinations under this section with respect to any calendar year shall be made irrespective of any distribution from the Trust Fund made pursuant to this subparagraph for the prior calendar year.

21 (e) REDUCTION OF REQUIRED CONTRIBUTIONS.—If  
22 the Board determines during any calendar year that, as  
23 of any date during the following calendar year, the balance  
24 in the Trust Fund will be in excess of the amount nec-  
25 essary to meet all contributions required under this section

1 to be made from the Trust Fund for such following cal-  
2 endar year—

3 (1) the Board shall immediately publish such  
4 determination in the Federal Register, and  
5 (2) the Board shall certify to the Secretary of  
6 the Treasury the amount of such excess.

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

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

12 **“Subchapter E—Steel**

“Sec. 4191. Imposition of Tax.

13 **“SEC. 4191. IMPOSITION OF TAX.**

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

17 “(b) DETERMINATION OF TAX.—

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

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

## 1           “(3) EXCESS CONTRIBUTION PERCENTAGE.—

2       For purposes of paragraph (2), the excess contribu-  
3       tion percentage for a calendar year is the number of  
4       percentage points which the Secretary determines  
5       will, as of the last day of such calendar year, reduce  
6       to zero the excess (if any) of the amount necessary  
7       to meet all contributions required under section 203  
8       of Steel Revitalization Act of 2001 to be made from  
9       the Steelworker Retiree Health Care Trust Fund for  
10      such calendar year. The Secretary shall make such  
11      determination on the basis of the certification made  
12      by the Steel Retiree Health Care Board under sec-  
13      tion 203(e) of such Act.

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

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

19           “(1) STEEL.—The term ‘steel’ means steel in  
20       any of the following categories of steel products:  
21       semifinished steel, stainless steel, plates, sheets and  
22       strips, rods, wire and wire products, rail type prod-  
23       ucts, bars, structural shapes and units, pipes and  
24       tubes, iron ore, pig iron, and coke and coke prod-  
25       ucts.

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

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

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

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

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

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

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

“Subchapter E. Steel.”.

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

## 1           **TITLE III—STEEL LOAN 2            GUARANTEE PROGRAM**

3 SEC. 301. MODIFICATION TO STEEL LOAN GUARANTEE PRO-  
4 GRAM.

5 (a) IN GENERAL.—Section 101 of the Emergency  
6 Steel Loan Guarantee Act of 1999 (Public Law 106–51;  
7 15 U.S.C. 1841 note) is amended as follows:

8 (1) DOLLAR LIMITS AND ADDITIONAL COSTS.—

9 Subsection (f) is amended—

10 (A) in paragraph (2), by striking  
11 "1,000,000,000" and inserting  
12 "\$10,000,000,000:

13 (B) in paragraph (3), by striking  
14 “\$250 000 000” and inserting “\$500 000 000”;

15 (C) in paragraph (4), by striking “as soon  
16 as possible” and inserting “within 45 days”;  
17 and

18 (D) in paragraph (5), by striking  
19 “\$140,000,000” and inserting  
20 “\$1,800,000,000”

## 21 (2) REQUIREMENTS FOR LOAN GUARANTEES

22 Subsection (g) is amended—

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

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

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

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

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

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

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

19 (B) in paragraph (2), by striking the sec-  
20 ond sentence and inserting the following: “The  
21 Board may give the unguaranteed portion of  
22 the loan different security, lien priority, and  
23 payment preference than the guaranteed por-  
24 tion of the loan.”; and

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

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

11 (5) SALARIES AND ADMINISTRATIVE EX-  
12 PENSES.—Subsection (j) is amended—

13 (A) by striking “5,000,000” and inserting  
14 “\$10,000,000”; and

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

1 section shall be consistent with customary practices  
2 in the commercial banking industry. Minor or inad-  
3 vertent reporting violations shall not cause termi-  
4 nation of any guarantee issued under this section.”.

5 (8) COMPOSITION OF GUARANTEE BOARD.—

6 Subsection (e) is amended by striking paragraphs  
7 (1) through (3) and inserting the following:

8 “(1) the Secretary of Commerce, who shall  
9 serve as chairman,

10 “(2) the Secretary of Labor, and

11 “(3) the Secretary of the Treasury,

12 or their respective designees.”.

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

15 “(B) is engaged in—

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

23 “(ii) the production or manufacture of  
24 coke used in the production of steel; or

25 “(iii) the mining of iron ore; and”.

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

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

7       **TITLE IV—INCENTIVES FOR  
8                   CONSOLIDATION**

9       **SEC. 401. GRANT PROGRAM FOR MERGED COMPANIES.**

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

16                   (1) to bring the entity resulting from the acqui-  
17 sition into compliance with requirements imposed by  
18 laws to protect the environment; and  
19                   (2) to maintain such compliance.

20       (b) DETERMINATIONS BY THE SECRETARY OF COM-  
21 MERCE.—

22                   (1) EMPLOYMENT AND PRODUCTION RETEN-  
23 TION.—Upon receipt of an application under sub-  
24 section (a), the Secretary of Commerce shall deter-  
25 mine whether or not the acquisition set out in the

1 application will promote the retention of jobs and  
2 production capacity in the sector producing steel  
3 products described in section 101(c). The Secretary  
4 may make an affirmative determination under the  
5 preceding sentence only if the Secretary determines  
6 that after the acquisition—

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

15 (i) must be at least 80 percent of the  
16 total number of such workers; and  
17 (ii) must include at least 50 percent  
18 of the number of such workers of the ac-  
19 quired person; and

20 (B) at least 80 percent of the facilities of  
21 the acquiring person and the person acquired  
22 that are used for the production of those steel  
23 products on the day before the acquisition is  
24 completed will be retained.

10 (B) in maintaining such compliance.

11 (c) AUTHORIZATION; AMOUNT OF GRANTS.—

12 (1) AUTHORIZATION.—There is authorized to  
13 be appropriated to carry out this section  
14 \$500,000,000.

15 (2) AMOUNT OF GRANTS.—Not more than  
16 \$100,000,000 may be provided to any applicant  
17 under this section.

18 (d) PENALTIES.—

1 level described in subparagraph (A)(i) or (B) of that  
2 paragraph, the applicant shall forfeit to the Sec-  
3 retary the dollar amount of the grant, plus 20 per-  
4 cent of that amount.

5 (2) FAILURE TO ACHIEVE RETENTION LEVELS  
6 AFTER FIRST 5 YEARS.—In any case in which a per-  
7 son receives a grant under this section and the num-  
8 ber of workers, or the production capacity, described  
9 in paragraph (1) of subsection (b) with respect to  
10 that applicant falls below the 80 percent level de-  
11 scribed in subparagraph (A)(i) or (B) of that  
12 paragraph—

13 (A) during the 6th year after the grant is  
14 awarded, the applicant shall forfeit to the Sec-  
15 retary 50 percent of the dollar amount of the  
16 grant, plus 20 percent of that forfeited amount;

17 (B) during the 7th year after the grant is  
18 awarded, the applicant shall forfeit to the Sec-  
19 retary 40 percent of the dollar amount of the  
20 grant, plus 20 percent of that forfeited amount;

21 (C) during the 8th year after the grant is  
22 awarded, the applicant shall forfeit to the Sec-  
23 retary 30 percent of the dollar amount of the  
24 grant, plus 20 percent of that forfeited amount;

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

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

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