

108TH CONGRESS
1ST SESSION

H. R. 629

To amend the Emergency Steel Loan Guarantee Act of 1999 to prohibit steel companies receiving loan guarantees from investing the loan proceeds in foreign steel companies and using the loan proceeds to import steel products from foreign countries that are subject to certain trade remedies.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2003

Mr. STUPAK (for himself and Mr. LATOURETTE) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To amend the Emergency Steel Loan Guarantee Act of 1999 to prohibit steel companies receiving loan guarantees from investing the loan proceeds in foreign steel companies and using the loan proceeds to import steel products from foreign countries that are subject to certain trade remedies.

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

1 **SECTION 1. CONDITIONS ON LOAN GUARANTEES ISSUED**
2 **TO STEEL COMPANIES.**

3 Section 101(h) of the Emergency Steel Loan Guar-
4 antee Act of 1999 (15 U.S.C. 1841 note) is amended by
5 adding at the end the following:

6 “(5) CERTAIN ACTIVITIES PROHIBITED.—

7 “(A) PROHIBITED ACTIVITIES.—Any quali-
8 fied steel company to which a loan guarantee is
9 issued under this section may not, during the
10 period the guarantee is in effect—

11 “(i) contribute any of the proceeds of
12 the loan that is guaranteed to any facility
13 located outside the United States that is
14 engaged in the production or manufacture
15 of any product described in subsection
16 (c)(3)(B) of this section; or

17 “(ii) use any of the proceeds of the
18 loan that is guaranteed to import iron ore
19 pellets, ingots, slabs, or billets produced in
20 any country if that country is subject to
21 trade remedies with respect to any product
22 described in subsection (c)(3)(B) of this
23 section.

24 “(B) PENALTIES FOR VIOLATIONS.—(i)
25 The Board shall terminate any guarantee
26 issued under this section to a qualified steel

1 company that violates the provisions of sub-
2 paragraph (A), and shall assess a civil penalty
3 of not more than \$100,000 for each such viola-
4 tion.

5 “(ii) Any civil penalty under clause (i) may
6 be imposed only after notice and opportunity
7 for a hearing on the record in accordance with
8 sections 554 and 557 of title 5, United States
9 Code.

10 “(C) DEFINITIONS.—In this paragraph—

11 “(i) a country is subject to trade rem-
12 edies with respect to any product described
13 in subsection (c)(3)(B) of this section if—

14 “(I) a countervailing duty order
15 or an antidumping order under title
16 VII of the Tariff Act of 1930 (19
17 U.S.C. 1671 et seq.), or a finding
18 under the Antidumping Act, 1921, is
19 in effect on imports of any product
20 described in subsection (c)(3)(B) of
21 this section that is a product of that
22 country;

23 “(II) the administering authority
24 or the International Trade Commis-
25 sion is conducting an investigation or

1 making a determination under subtitle
2 A, B, or C of title VII of the Tariff
3 Act of 1930 with respect to any prod-
4 uct described in subsection (c)(3)(B)
5 of this section that is a product of
6 that country;

7 “(III) action taken by the Presi-
8 dent under chapter 1 of title II of the
9 Trade Act of 1974 (19 U.S.C. 2251
10 et seq.), under section 406 of that Act
11 (19 U.S.C. 2436), under chapter 2 of
12 title IV of that Act (19 U.S.C. 2451
13 et seq.), under part 1 of subtitle A of
14 title III of the North American Free
15 Trade Agreement Implementation Act
16 (19 U.S.C. 3351 et seq.), or under
17 subtitle B of title II of the United
18 States-Jordan Free Trade Area Im-
19 plementation Act (19 U.S.C. 2112
20 note, is in effect with respect to im-
21 ports of any product described in sub-
22 section (c)(3)(B) of this section that
23 is a product of that country;

24 “(IV) a proceeding is pending
25 under chapter 1 of title II of the

1 Trade Act of 1974 (19 U.S.C. 2251
2 et seq.), under section 406 of that Act
3 (19 U.S.C. 2436), under chapter 2 of
4 title IV of that Act (19 U.S.C. 2451
5 et seq.), under part 1 of subtitle A of
6 title III of the North American Free
7 Trade Agreement Implementation Act
8 (19 U.S.C. 3351 et seq.), or under
9 subtitle B of title II of the United
10 States-Jordan Free Trade Area Im-
11 plementation Act (19 U.S.C. 2112
12 note), pursuant to a determination by
13 the International Trade Commission
14 of substantial injury that was made
15 pursuant to the filing of a petition
16 under section 202(a), 406(a)(1),
17 421(b), or 422(b) of the Trade Act of
18 1974, 302(a) of the North American
19 Free Trade Agreement Implementa-
20 tion Act, or section 211(a) of the
21 United States-Jordan Free Trade
22 Area Implementation Act, with re-
23 spect to any product described in sub-
24 section (c)(3)(B) of this section that
25 is a product of that country; or

1 “(V) a proceeding is pending
2 under chapter 1 of title II of the
3 Trade Act of 1974, under section 406
4 of that Act (19 U.S.C. 2436), or
5 under chapter 2 of title IV of that
6 Act, other than pursuant to a petition,
7 with respect to any product described
8 in subsection (c)(3)(B) of this section
9 that is a product of that country; and
10 “(ii) the term ‘United States’ includes
11 any commonwealth, territory, or possession
12 of the United States.”.

13 **SEC. 2. EFFECTIVE DATE.**

14 The amendment made by section 1 applies to—

- 15 (1) any loan guarantee issued on or after the
16 date of the enactment of this Act; and
17 (2) any loan guarantee issued before such date
18 of enactment, but only to the extent of any proceeds
19 of the loan remaining on such date.

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