

107TH CONGRESS
2D SESSION

H. R. 4574

To facilitate the consolidation and rationalization of the steel industry, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2002

Mr. ENGLISH (for himself, Mr. REGULA, Ms. HART, Mr. ADERHOLT, Mr. GEKAS, and Mr. SHIMKUS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, and Energy and Commerce, 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 facilitate the consolidation and rationalization of the steel
industry, and for other purposes.

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; CONGRESSIONAL FINDINGS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Steel Industry Legacy Relief and Transition Act of
6 2002”.

7 (b) **CONGRESSIONAL FINDINGS.**—Congress finds
8 that—

1 (1) the United States steel industry has been
2 severely harmed by a record surge of steel imports
3 into the United States;

4 (2) this surge in imports has resulted in the
5 loss of more than 45,000 steel worker jobs, and is
6 the cause of 33 bankruptcies;

7 (3) the import surge has also forced the United
8 States steel industry into reduced volume, lower
9 prices, and financial losses;

10 (4) on October 22, 2001, the International
11 Trade Commission found that the domestic steel in-
12 dustry has been severely injured by the import
13 surge;

14 (5) the United States steel industry has signifi-
15 cant unfunded pension liabilities;

16 (6) the United States steel industry has massive
17 retiree health care liabilities that total
18 \$13,000,000,000 and cost the steel industry almost
19 \$1,000,000,000 annually;

20 (7) these pension and health care liabilities pose
21 a significant barrier to steel industry consolidation
22 and rationalization actions that could improve the fi-
23 nancial condition of the industry and reduce the ad-
24 verse impact of foreign imports;

1 (8) steel bankruptcies, job losses, and financial
2 losses are having a severe adverse effect on the Na-
3 tion's economy and having serious negative effects
4 on the tax base of cities, counties, and States, and
5 on the essential health, education, and other services
6 that Federal, State, and local government entities
7 provide to their citizens;

8 (9) a strong steel industry is necessary to a
9 healthy economy and to the defense preparedness of
10 the United States; and

11 (10) expedited antitrust review procedures for
12 transactions that will restructure the steel industry
13 in the United States are necessary to support the
14 President's efforts to negotiate solutions to inter-
15 national trade problems and to facilitate the most ef-
16 fective adjustment of the domestic steel industry to
17 global competition.

18 **TITLE I—AMENDMENTS TO**
19 **TITLE II OF THE TRADE ACT**
20 **OF 1974**

21 **SEC. 101. ASSISTANCE FOR STEEL INDUSTRY.**

22 (a) IN GENERAL.—Title II of the Trade Act of 1974
23 is amended by striking chapter 4 and inserting the fol-
24 lowing new chapter:

1 **“CHAPTER 4—ASSISTANCE FOR STEEL**
2 **INDUSTRY LEGACY COSTS**
3 **“Subchapter A—Eligibility and Applications**

4 **“SEC. 266. STEEL INDUSTRY LEGACY RELIEF PROGRAM.**

5 “There is established in the Department of Labor a
6 Steel Industry Legacy Relief Program to be administered
7 by the Secretary of Labor (in this chapter referred to as
8 the “Secretary”) for the purpose of providing certain post-
9 employment retiree health benefits previously provided by
10 qualified steel companies purchased or otherwise acquired
11 by an eligible buyer in accordance with this chapter.

12 **“SEC. 266A. DEFINITIONS.**

13 “In this chapter:

14 “(1) QUALIFIED ACQUISITION.—

15 “(A) IN GENERAL.—The term ‘qualified
16 acquisition’ means a transaction through which
17 a qualified steel company purchases or other-
18 wise acquires, either through stock or asset ac-
19 quisition, all or substantially all of the
20 steelmaking assets of another qualified steel
21 company, in any case in which the acquiring
22 company (and the ultimate parent among the
23 members of the acquiring company’s controlled
24 group) and the company whose steelmaking as-

1 sets are acquired are incorporated under the
2 laws of a State.

3 “(B) SPECIAL RULE.—An acquisition shall
4 not be disqualified from being a qualified acqui-
5 sition if the eligible buyer does not purchase or
6 otherwise acquire a facility that has ceased op-
7 erations.

8 “(2) QUALIFIED STEEL COMPANY.—The term
9 ‘qualified steel company’ means any person if such
10 person, or any member of such person’s controlled
11 group, was engaged, on January 1, 2000, in steel-
12 based operations.

13 “(3) STEEL-BASED OPERATIONS.—The term
14 ‘steel-based operations’ means—

15 “(A) the production and manufacture of a
16 product defined by the American Iron and Steel
17 Institute as a basic steel mill product, including
18 ingots, slab and billets, plates, flat-rolled steel,
19 sections and structural products, bars, rail type
20 products, pipe and tube, and wire rod;

21 “(B) the mining or processing of iron ore
22 or beneficiated iron ore products;

23 “(C) the production of coke for use in a
24 steel mill product described in subparagraph
25 (A); and

1 “(D) the transportation of a product by a
2 person solely or principally for another person
3 engaged in operations described in subpara-
4 graph (A), (B), or (C), but only if the person
5 transporting the product is a member of that
6 other person’s controlled group.

7 “(4) STEEL-MAKING ASSETS.—The term ‘steel-
8 making assets’ means the land, buildings, machin-
9 ery, equipment, and other assets that, at any time
10 on or after January 1, 2000, was used in—

11 “(A) the production, manufacturing, or
12 distribution of products described in paragraph
13 (3)(A);

14 “(B) the mining, processing, or distribu-
15 tion of iron ore or beneficiated iron ore prod-
16 ucts;

17 “(C) the production of coke for use in a
18 steel mill product described in paragraph
19 (3)(A); or

20 “(D) the transportation of a product by a
21 person solely or principally for another person
22 engaged in operations described in subpara-
23 graph (A), (B), or (C), but only if the person
24 transporting the product is a member of that
25 other person’s controlled group.

1 “(5) STEEL RETIREE HEALTH BENEFIT.—

2 “(A) IN GENERAL.—The term ‘steel retiree
3 health benefit’ means a retiree health benefit
4 provided under an employee benefit plan, as in
5 effect on the date of the enactment of this
6 chapter, in any case in which—

7 “(i) such plan is maintained on such
8 date by a qualified steel company, or a
9 qualified steel company is obligated on
10 such date to contribute to such plan under
11 an agreement entered into by such com-
12 pany and an employee organization rep-
13 resenting employees of such company, and

14 “(ii) such plan, as so in effect, pro-
15 vides such benefit to a participant or a
16 participant’s beneficiary in connection with
17 such participant’s retirement under the
18 plan.

19 “(B) BENEFITS UNDER ACQUIRED COM-
20 PANY’S PLAN TREATED AS RETIREE HEALTH
21 BENEFITS.—Such term includes any benefit
22 treated under applicable law in connection with
23 a qualified acquisition as a retiree health ben-
24 efit provided to a participant or a participant’s
25 beneficiary by a plan to which the acquired

1 company is obligated to contribute, irrespective
2 of whether or to what extent the participant
3 was employed by the acquired company.

4 “(6) ACQUIRED COMPANY.—The term ‘acquired
5 company’ means a qualified steel company all or
6 substantially all of whose steelmaking assets are
7 purchased or otherwise acquired in a qualified acqui-
8 sition.

9 “(7) ELIGIBLE BUYER.—The term ‘eligible
10 buyer’ means a qualified steel company that meets
11 the requirements for carrying out a qualified acqui-
12 sition.

13 “(8) COVERED BENEFITS.—The term ‘covered
14 benefits’ means—

15 “(A) steel retiree health benefits of any
16 participant under any employee benefit plan
17 sponsored by an acquired company, as of the
18 date of acquisition, including benefits that are
19 attributable to rationalization, except that the
20 term does not include steel retiree health care
21 benefits provided by actively operating nonsteel
22 subsidiaries of an acquired company;

23 “(B) steel retiree health benefits for em-
24 ployees of an eligible buyer that are attributable
25 to rationalization; and

1 “(C) steel retiree health benefits provided
2 by a closed company as of the date the com-
3 pany ceases to operate.

4 “(9) RATIONALIZATION.—The term ‘rational-
5 ization’ means—

6 “(A) the voluntary or involuntary termi-
7 nation of an employee of an acquired company
8 that occurs within five years after the con-
9 summation of the qualified acquisition; or

10 “(B) the voluntary or involuntary termi-
11 nation of an employee of an eligible buyer pur-
12 suant to an action by the eligible buyer de-
13 signed to reduce production capacity that oc-
14 curs within five years after the consummation
15 of a qualified acquisition.

16 “(10) CLOSED COMPANY.—The term ‘closed
17 company’ means—

18 “(A) a qualified steel company that ceases
19 operations (as defined by the Secretary) on or
20 after January 1, 2000, and which has disman-
21 tled its facilities, or which the Secretary cer-
22 tifies is incapable of operating in the future due
23 to facility conditions, operating costs, or similar
24 reasons; or

1 “(B) a qualified steel company which on or
2 after January 1, 2000, and before May 1,
3 2002, has dissolved and is no longer liable for
4 the provision of steel retiree health benefits.

5 “(11) CONTROLLED GROUP.—The term ‘con-
6 trolled group’ has the meaning given that term in
7 section 52(a) of the Internal Revenue Code of 1986.

8 “(12) BOARD.—The term ‘Board’ means the
9 Steel Transition Board established under section
10 269.

11 “(13) STATE.—The term ‘State’ means any
12 State, the District of Columbia, and any territory or
13 possession of the United States.

14 “(14) OTHER TERMS.—Any term used in this
15 chapter that is not defined in this section and is de-
16 fined in section 3 or 4001(a)(14)(A) of the Employee
17 Retirement Income Security Act of 1974 shall have
18 the meaning given that term in such section 3 or
19 4001(a)(14)(A) of that Act.

20 **“SEC. 266B. PETITIONS AND DETERMINATIONS.**

21 “(a) FILING OF PETITIONS.—A petition for a certifi-
22 cation of eligibility for assistance under this chapter may
23 be filed with the Secretary by—

24 “(1) an eligible buyer that makes a qualified ac-
25 quisition or rationalization, or its representative, or

1 “(2) a person eligible for covered benefits, or
2 that person’s representative.

3 “(b) CERTIFICATION OF ELIGIBLE BUYER.—

4 “(1) EFFECT AND BASIS OF DETERMINA-
5 TION.—If the Secretary provides a certification that
6 an eligible buyer is eligible for assistance under this
7 chapter with respect to covered benefits, the eligible
8 buyer shall not be obligated to provide such covered
9 benefits to any person or entity. The Secretary shall
10 certify steel retiree health benefits as eligible for cov-
11 erage under section 267 if the Secretary determines
12 that—

13 “(A) the steel retiree health benefits are
14 covered benefits within the meaning of section
15 266A; and

16 “(B) all assets, as determined in accord-
17 ance with rules prescribed by the Secretary,
18 which, under the terms of an applicable collec-
19 tive bargaining agreement, were required to be
20 set aside under an employee benefit plan or oth-
21 erwise for the provision of the steel retiree ben-
22 efits the liability for which is relieved by oper-
23 ation of this subsection, are identified and
24 available for transfer to the Steel Industry Leg-

1 acy Relief Trust Fund as of the date of con-
2 summation of the qualified acquisition.

3 The assets required to be transferred under sub-
4 paragraph (B) shall not include voluntary contribu-
5 tions, including voluntary contributions made pursu-
6 ant to a voluntary employees beneficiary association
7 trust.

8 “(2) DETERMINATION OF TRANSFER
9 AMOUNT.—The amount of the assets to be trans-
10 ferred under paragraph (1)(B) shall be determined
11 at the time of the certification under this subsection
12 and shall include interest from the time of the deter-
13 mination to the time of transfer. Such amount shall
14 be reduced by any payments from such assets which
15 are made, after the determination, by the qualified
16 steel company or applicable acquiring company for
17 the provision of steel retiree benefits for which such
18 assets were set aside and the liability for which is
19 relieved by operation of this subsection.

20 “(3) TRANSFER OF FUNDS.—Upon making a
21 certification under paragraph (1), or on the date of
22 the consummation of the qualified acquisition,
23 whichever occurs later, the Secretary shall ensure
24 that the funds described in paragraph (1)(B) are

1 transferred to the Steel Industry Legacy Relief
2 Trust Fund.

3 “(c) CONTRIBUTION REQUIREMENTS.—

4 “(1) IN GENERAL.—If under subsection (b) the
5 Secretary certifies steel retiree health benefits of an
6 acquired company as eligible for coverage under sec-
7 tion 267, the eligible buyer shall pay to the Trust
8 Fund for each of the years in the 10-year period be-
9 ginning on the date of consummation of the applica-
10 ble qualified acquisition the amount determined
11 under paragraph (2) with respect to the steelmaking
12 assets acquired by such company or person.

13 “(2) AMOUNT OF LIABILITY.—

14 “(A) IN GENERAL.—The amount required
15 to be paid under paragraph (1) for any year
16 shall be equal to \$5 per ton of products de-
17 scribed in section 266A(3)(A), (B), and (C)
18 that are attributable to the steelmaking assets
19 of a qualified steel company that are the subject
20 of a qualified acquisition and are transported to
21 a person other than a member of the controlled
22 group of that qualified steel company.

23 “(B) REDUCTIONS IN LIABILITY.—The
24 amount of any liability under subparagraph (A)
25 for any year shall be reduced by the amount of

1 any assets transferred to the Trust Fund under
2 subsection (b)(3), reduced by any portion of
3 such amount applied to a liability for any pre-
4 ceding year.

5 “(d) CERTIFICATION OF CLOSED COMPANY.—The
6 Secretary shall certify a steel company as a closed com-
7 pany if the Secretary determines that the company is a
8 closed company under section 266A(10).

9 “(e) CERTIFICATION OF PERSONS.—The Secretary
10 shall certify a person as eligible for assistance under sec-
11 tion 267 if the Secretary determines that such person is
12 eligible to receive covered benefits.

13 “(f) TIMING OF CERTIFICATIONS.—The Secretary
14 shall make a determination on a petition under this sec-
15 tion as soon as possible after the date on which the peti-
16 tion is filed, but in any event not later than 60 days after
17 the filing date.

18 “(g) MAKING DETERMINATIONS PRIOR TO ACQUISI-
19 TION.—The Secretary shall provide for making determina-
20 tions of eligibility under this section before the date of con-
21 summation of the applicable qualified acquisition if a peti-
22 tion for certification is submitted 60 days or more in ad-
23 vance of such date.

1 **“Subchapter B—Assistance**

2 **“SEC. 267. PAYMENT OF PREMIUMS FOR RETIREE HEALTH**
3 **BENEFITS.**

4 “The Secretary shall provide for the purchase of cov-
5 erage of steel retiree health benefits for retirees, surviving
6 spouses, and dependents who are certified to be eligible
7 for assistance pursuant to determinations made under sec-
8 tion 266B.

9 **“SEC. 267A. COMMENCEMENT OF COVERAGE.**

10 “(a) IN GENERAL.—Subject to subsection (b), if eli-
11 gibility for assistance under this chapter has been deter-
12 mined before the date of consummation of a qualified ac-
13 quisition or a rationalization, coverage under section 267
14 shall begin as of the date of consummation or rationaliza-
15 tion.

16 “(b) LIMITATION.—Payment of benefits under sub-
17 section (a) shall be effective only if funds identified pursu-
18 ant to section 266B(b)(2) with respect to the acquired
19 company are transferred to the Steel Industry Legacy Re-
20 lief Trust Fund as of the date of consummation of the
21 qualified acquisition.

22 **“SEC. 267B. EXTENT OF BENEFIT COVERAGE.**

23 “Benefit coverage for a person under section 267
24 shall not exceed the steel retiree health benefit coverage
25 for which the person would otherwise have been eligible.

1 **“SEC. 267C. CONTRACT AUTHORITY.**

2 “The Secretary shall enter into such contracts as the
3 Secretary considers necessary to provide for adequate geo-
4 graphic coverage and to provide for adequate cost controls
5 for the benefits provided under section 267.

6 **“SEC. 267D. COSTS.**

7 “The cost of assistance provided pursuant to section
8 267 shall be paid from the Steel Industry Legacy Relief
9 Trust Fund.

10 **“Subchapter C—Steel Industry Legacy Relief**
11 **Trust Fund**

12 **“SEC. 268. ESTABLISHMENT.**

13 “There is established in the Treasury of the United
14 States a trust fund to be known as the ‘Steel Industry
15 Legacy Relief Trust Fund’ (hereinafter in this chapter re-
16 ferred to as the ‘Trust Fund’), consisting of such amounts
17 as may be appropriated or credited to the Trust Fund as
18 provided in this subchapter.

19 **“SEC. 268A. DUTIES ON STEEL PRODUCTS.**

20 “There shall be deposited into the Trust Fund
21 amounts equivalent to the duties on imports of basic steel
22 mill products described in section 266A(3)(A) that are col-
23 lected as a result of action taken under title II of the
24 Trade Act of 1974 with respect to imports of such prod-
25 ucts.

1 **“SEC. 268B. VEBA FUNDS.**

2 “There shall be deposited into the Trust Fund the
3 amounts of all funds described in section 266B(b)(1)(B)
4 which are transferred to the Trust Fund pursuant to an
5 acquisition of an acquired company.

6 **“SEC. 268C. CONTRIBUTIONS.**

7 “There shall be deposited into the Trust Fund the
8 amounts of all contributions described in section 266B(c)
9 which are paid to the Trust Fund pursuant to the acqui-
10 sition of an acquired company.

11 **“SEC. 268D. ADDITIONAL FUNDS.**

12 “There are hereby authorized to be appropriated to
13 the Trust Fund such additional sums as may be required
14 to make the expenditures referred to in section 267.

15 **“SEC. 268E. USE OF AMOUNTS IN TRUST FUND.**

16 “Amounts in the Trust Fund shall be available for
17 making expenditures to meet those obligations of the
18 United States—

19 “(1) incurred under this chapter; and

20 “(2) for those portions of the administrative ex-
21 penses of the Department of Labor which are attrib-
22 utable to activities described in this chapter.

23 **“SEC. 268F. PAYMENT TO SECRETARY OF LABOR.**

24 “The Secretary of the Treasury shall pay from time
25 to time from the Trust Fund such amounts as the Sec-
26 retary of Labor certifies are necessary to make the ex-

1 penditures provided for by this chapter, and the payments
2 of administrative expenses referred to in section 268E(2).

3 **“SEC. 268G. DUTIES OF SECRETARY OF THE TREASURY.**

4 “(a) MANAGEMENT OF FUND.—It shall be the duty
5 of the Secretary of the Treasury to hold and manage the
6 Trust Fund.

7 “(b) REPORT TO CONGRESS.—The Secretary of the
8 Treasury shall report to the Congress, not later than De-
9 cember 31 of each year, on the financial condition and
10 the results of the operations of the Trust Fund during
11 the preceding fiscal year and on its expected condition and
12 operations during the current and succeeding 4 fiscal
13 years. Such report shall be printed as a document of the
14 House of Representatives of the session of the Congress
15 in which the report is made.

16 “(c) INVESTMENT OF AMOUNTS IN TRUST FUND.—
17 The Secretary of the Treasury shall invest such portion
18 of the Trust Fund as is not, in the judgment of the Sec-
19 retary, required to meet current withdrawals.

20 **“Subchapter D—Steel Transition Board**

21 **“SEC. 269. STEEL TRANSITION BOARD.**

22 “(a) ESTABLISHMENT.—There is established the
23 Steel Transition Board to review and approve or dis-
24 approve applications for expedited antitrust review under
25 section 269A of this Act.

1 “(b) COMPOSITION.—The Board shall consist of—

2 “(1) the Secretary or the designee of the Sec-
3 retary;

4 “(2) the Secretary of Commerce or the designee
5 of the Secretary; and

6 “(3) the Attorney General or the designee of
7 the Attorney General.

8 **“SEC. 269A. PETITIONS FOR APPROVAL.**

9 “(a) PETITION.—A petition for a certification of eli-
10 gibility for assistance under this chapter may include an
11 application for expedited antitrust review by the Board.

12 “(b) EXPEDITED REVIEW.—An application for expe-
13 dited antitrust review of a transaction by the Board shall
14 include 3 copies of any premerger notification materials
15 filed by any person under section 7A of the Clayton Act
16 (15 U.S.C. 18a) for such transaction, and any other infor-
17 mation required by the Board.

18 “(c) DISCLOSURE.—Any information or documentary
19 material filed with the Board pursuant to this section shall
20 be exempt from disclosure under section 552 of title 5,
21 United States Code, and no such information or documen-
22 tary material may be made public, except as may be rel-
23 evant to any administrative or judicial action or pro-
24 ceeding. Nothing in this section is intended to prevent dis-
25 closure of such information or documentary material to

1 any representative of the Board or to the Congress (in-
2 cluding any duly authorized committee of the Congress).

3 “(d) RULES.—Not later than 90 days after the date
4 of enactment of this subchapter, the Secretary of Labor
5 shall issue rules governing applications for expedited anti-
6 trust review and review of such applications by the Board.
7 Such rules shall specify any information to be provided
8 by applicants under this section, the procedures for hear-
9 ing and presenting evidence relevant to such applications,
10 and other matters determined to be appropriate by the
11 Secretary.

12 “(e) DETERMINATION.—Not later than 120 days
13 after the Board determines that an application under this
14 section is substantially complete, the Board shall approve,
15 disapprove, or approve such application subject to condi-
16 tions.

17 “(f) REVIEW.—Any person with a substantial interest
18 in a final decision by the Board may obtain review of such
19 decision in the United States Court of Appeals for the Dis-
20 trict of Columbia Circuit, by filing a written petition with-
21 in 30 days from the date of the final decision. A copy of
22 such petition shall be transmitted forthwith by the clerk
23 of the court to the Board. It shall be the duty of the senior
24 judge of the court, qualified to participate in the consider-
25 ation of the case on the merits, to designate immediately

1 3 circuit judges of the court, 1 of whom shall be such
2 qualified senior judge and the other 2 of whom shall be
3 2 circuit judges next in order of seniority to such qualified
4 senior judge, to hear and determine the appeal in such
5 case. It shall be the duty of the court, so comprised, to
6 assign the case for argument at the earliest practicable
7 date and to hear and determine the same. The decision
8 of the 3 circuit judges so designated, or of a majority in
9 number thereof, shall be final, and there shall be no review
10 of such decision by additional circuit judges. The findings
11 of the Board as to the facts, if supported by evidence, shall
12 be conclusive. The conclusions of law of the Board may
13 be set aside only if the court finds they are arbitrary and
14 capricious. A decision by the court under this section is
15 reviewable only by the Supreme Court under section 1254
16 of title 28, United States Code.

17 **“SEC. 269B. ANTITRUST LAWS.**

18 “(a) APPLICATION OF THE ANTITRUST LAWS.—The
19 antitrust laws shall not apply to any transaction approved
20 by the Board pursuant to this subchapter.

21 “(b) DEFINITION.—For purposes of this subchapter,
22 the term ‘antitrust laws’—

23 “(1) has the meaning given it in subsection (a)
24 of the first section of the Clayton Act (15 U.S.C.
25 12(a)), except that such term includes section 5 of

1 the Federal Trade Commission Act (15 U.S.C. 45)
2 to the extent such section 5 applies to unfair meth-
3 ods of competition; and

4 “(2) includes any State law similar to the laws
5 referred to in paragraph (1).

6 **“SEC. 269C. STANDARD FOR APPROVAL.**

7 “(a) QUALIFIED ACQUISITIONS.—In its expedited
8 antitrust review of applications under this subchapter, the
9 Board shall determine whether the application relates to
10 a qualified acquisition within the meaning of section 266A.

11 “(b) PUBLIC INTEREST.—If the Board determines
12 that the application relates to a qualified acquisition, the
13 Board shall determine whether any transaction or trans-
14 actions to which the application relates is in the public
15 interest. In making such determination, the Board shall
16 consider both conventional standards of antitrust law and
17 the establishment of a globally competitive domestic steel
18 industry, taking into account—

19 “(1) the global nature of competition in steel
20 markets;

21 “(2) the urgent need for the steel industry in
22 the United States to adjust to current and future
23 global market conditions; and

1 “(3) the national security and foreign policy ob-
2 jectives of the United States, including international
3 comity.

4 **“SEC. 269D. SUNSET.**

5 “‘This subchapter is repealed 7 years after the date
6 of the enactment of this subchapter.

7 **“Subchapter E—General Provisions**

8 **“SEC. 270. RECORDKEEPING.**

9 “(a) PROVIDING RECORDS TO THE SECRETARY.—
10 Each eligible buyer receiving assistance under this chapter
11 shall provide to the Secretary records from the acquired
12 company acquired by that eligible buyer which fully dis-
13 close the nature and amount of covered benefits related
14 to the acquired company’s employee benefit plans which
15 will facilitate the accurate determination and subsequent
16 maintenance of coverage by the Secretary pursuant to sec-
17 tions 266B and 267. An eligible buyer shall provide such
18 other records as the Secretary may prescribe in connection
19 with the determination of eligibility for coverage and the
20 administration of coverage.

21 “(b) KEEPING RECORDS.—Any entity that receives
22 payments from the Secretary under section 267 shall keep
23 such records as the Secretary may prescribe.

1 **“SEC. 270A. PENALTIES.**

2 “Whoever makes a false statement of a material fact
3 knowing it to be false, or knowingly fails to disclose a ma-
4 terial fact, or whoever willfully overvalues any obligation,
5 for the purpose of obtaining money, property, or anything
6 of value under this chapter, shall be fined not more than
7 \$5,000, or imprisoned for not more than 2 years, or both.

8 **“SEC. 270B. CIVIL ACTIONS.**

9 “In providing financial assistance under this chapter,
10 the Secretary may sue and be sued in any court of record
11 of a State having general jurisdiction or in any United
12 States district court, and such jurisdiction is conferred
13 upon such district court to determine such controversies
14 without regard to the amount in controversy, except that
15 no attachment, injunction, garnishment, or other similar
16 process, mesne or final, shall be issued against the Sec-
17 retary or the property of the Secretary. Nothing in this
18 section shall be construed to except the activities pursuant
19 to section 267 from the application of sections 516, 547,
20 and 2679 of title 28, United States Code.

21 **“SEC. 270C. REGULATIONS.**

22 “The Secretary shall prescribe such regulations as
23 may be necessary to carry out the provisions of this chap-
24 ter.”.

25 (b) CONFORMING AMENDMENT.—The table of con-
26 tents of the Trade Act of 1974 is amended by striking

- 1 the items relating to chapter 4 of title II and inserting
 2 the following:

“CHAPTER 4—ASSISTANCE FOR STEEL INDUSTRY LEGACY COSTS

“SUBCHAPTER A—ELIGIBILITY AND APPLICATIONS

- “Sec. 266. Steel Industry Legacy Relief Program.
 “Sec. 266A. Definitions.
 “Sec. 266B. Petitions and determinations.

“SUBCHAPTER B—ASSISTANCE

- “Sec. 267. Payment of premiums for retiree health benefits.
 “Sec. 267A. Commencement of coverage.
 “Sec. 267B. Extent of benefit coverage.
 “Sec. 267C. Contract authority.
 “Sec. 267D. Costs.

“SUBCHAPTER C—STEEL INDUSTRY LEGACY RELIEF TRUST FUND

- “Sec. 268. Establishment.
 “Sec. 268A. Duties on steel products.
 “Sec. 268B. VEBA funds.
 “Sec. 268C. Contributions.
 “Sec. 268D. Additional funds.
 “Sec. 268E. Use of amounts in trust fund.
 “Sec. 268F. Payment to Secretary of Labor.
 “Sec. 268G. Duties of Secretary of the Treasury.

“SUBCHAPTER D—STEEL TRANSITION BOARD

- “Sec. 269. Steel Transition Board.
 “Sec. 269A. Petitions for approval.
 “Sec. 269B. Antitrust laws.
 “Sec. 269C. Standard for approval.
 “Sec. 269D. Sunset.

“SUBCHAPTER E—GENERAL PROVISIONS

- “Sec. 270. Recordkeeping.
 “Sec. 270A. Penalties.
 “Sec. 270B. Civil actions.
 “Sec. 270C. Regulations.”.

3 **SEC. 102. EFFECTIVE DATE.**

- 4 The amendments made by this title shall take effect
 5 on the date of the enactment of this Act.

1 **TITLE II—AMENDMENTS TO**
2 **TITLE IV OF THE EMPLOYEE**
3 **RETIREMENT INCOME SECUR-**
4 **RITY ACT OF 1974**

5 **SEC. 201. TERMINATION OF PENSION PLANS IN CONNEC-**
6 **TION WITH ACQUISITIONS OF STEEL COMPA-**
7 **NIES.**

8 (a) IN GENERAL.—Title IV of the Employee Retire-
9 ment Income Security Act of 1974 is amended by insert-
10 ing after section 4048 (29 U.S.C. 1348) the following new
11 section:

12 “TREATMENT OF CERTAIN STEEL PLANS INVOLVED IN
13 QUALIFIED ACQUISITIONS

14 “SEC. 4049. (a) TERMINATIONS IN CONNECTION
15 WITH QUALIFIED ACQUISITIONS.—In the case of any
16 qualified acquisition of a qualified steel company, any
17 qualified defined benefit plan which is maintained by the
18 acquired company immediately before the acquisition shall
19 be treated as terminated under this title.

20 “(b) TREATMENT OF PLAN ASSETS AND LIABIL-
21 ITIES.—

22 “(1) IN GENERAL.—Subject to paragraph (2),
23 all assets and liabilities of the plan treated as termi-
24 nated under subsection (a) shall continue to be
25 treated as assets and liabilities of such terminated

1 plan, notwithstanding any allocation of such assets
2 and liabilities to spun off plans in accordance with
3 section 414(l) of the Internal Revenue Code of 1986.

4 “(2) EXCLUSION OF ASSETS AND LIABILITIES
5 ACQUIRED BY ACTIVE CONTROLLED GROUP MEM-
6 BERS NOT ENGAGED IN STEEL-BASED OPER-
7 ATIONS.—Subsection (a) shall not apply with respect
8 to any plan assets or liabilities which are acquired,
9 in connection with the qualified acquisition, by any
10 person which is a member of the controlled group of
11 the person acquiring the qualified steel company and
12 is, at the time of the qualified acquisition, in active
13 operation but whose business does not include steel-
14 based operations (or by any plan to which any per-
15 son who is such a member is obligated to con-
16 tribute). The acquired company shall provide for
17 separate treatment as a terminated plan of so much
18 of the acquired plan as does not consist of such as-
19 sets and liabilities.

20 “(c) APPLICABILITY WITH RESPECT TO ALL PAR-
21 TICIPANTS AND BENEFICIARIES.—No asset or liability
22 shall be excluded from treatment as an asset or liability
23 of the eligible plan in connection with any participant, or
24 beneficiary thereof, on the basis of any classification of
25 a participant as an active employee or as a retiree.

1 “(d) EXCLUSION OF ASSETS AND LIABILITIES SUB-
2 SEQUENTLY ACCRUED.—This section shall not apply with
3 respect to assets or liabilities accruing after the date of
4 the qualified acquisition.

5 “(e) PETITION PROCEDURE.—The Secretary of
6 Labor shall make determinations under this subsection, in
7 consultation with the acquired company, in accordance
8 with procedures which shall be prescribed by the Sec-
9 retary. Any such determination in connection with a quali-
10 fied acquisition, shall be made only pursuant to a petition
11 for such determination filed with the Secretary not later
12 than 60 days before the effective date of the acquisition.
13 The Secretary shall provide, to the maximum extent prac-
14 ticable, for the conduct of the petition process pursuant
15 to this paragraph in conjunction with the petition process
16 established under section 268 of the Trade Act of 1984.

17 “(f) DEFINITIONS.—For purposes of this section—

18 “(1) QUALIFIED ACQUISITION.—The term
19 ‘qualified acquisition’ means a transaction through
20 which a qualified steel company purchases or other-
21 wise acquires, either through stock or asset acquisi-
22 tion, all or substantially all of the steelmaking assets
23 of another qualified steel company, in any case in
24 which the acquiring company (and the ultimate par-
25 ent among the members of the acquiring company’s

1 controlled group) and the company whose
2 steelmaking assets are acquired are incorporated
3 under the laws of a State.

4 “(2) QUALIFIED PLAN.—The term ‘qualified
5 plan’ means a defined benefit plan (as defined in
6 section 3(35)) if each trust forming a part of the
7 plan is a qualified trust under section 401(a) of the
8 Internal Revenue Code of 1986.

9 “(3) QUALIFIED STEEL COMPANY.—The term
10 ‘qualified steel company’ means any person if such
11 person, or any member of such person’s controlled
12 group, was engaged, on January 1, 2000, in steel-
13 based operations.

14 “(4) STATE.—The term ‘State’ means any
15 State, the District of Columbia, and any territory or
16 possession of the United States.

17 “(5) STEEL-BASED OPERATIONS.—The term
18 ‘steel-based operations’ means—

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

1 “(B) the mining or processing of iron ore
2 or beneficiated iron ore products;

3 “(C) the production of coke for use in a
4 still mill product described in subparagraph
5 (A); and

6 “(D) the transportation of a product by a
7 person solely or principally for another person
8 engaged in operations described in subpara-
9 graph (A), (B), or (C), but only if the person
10 transporting the product is a member of that
11 other person’s controlled group.

12 “(6) STEEL-MAKING ASSETS.—The term ‘steel-
13 making assets’ means the land, buildings, machin-
14 ery, equipment, and other assets that, at any time
15 on or after January 1, 2000, was used in—

16 “(A) the production, manufacturing, or
17 distribution or products described in paragraph
18 (5)(A);

19 “(B) the mining, processing, or distribu-
20 tion of iron ore or beneficiated iron ore prod-
21 ucts;

22 “(C) the production of coke for use in a
23 steel mill product described in paragraph
24 (5)(A); or

1 “(D) the transportation of a product by a
2 person solely or principally for another person
3 engaged in operations described in subpara-
4 graph (A), (B), or (C), but only if the person
5 transporting the product is a member of that
6 other person’s controlled group.

7 “(7) CONTROLLED GROUP.—The term ‘con-
8 trolled group’ has the meaning given that term in
9 section 52(a) of the Internal Revenue Code of
10 1986.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 in section 1 of such Act is amended by inserting after the
13 item relating to section 4048 the following new item:

 “Sec. 4049. Treatment of certain steel plans involved in qualified acquisitions.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to qualified acquisi-
16 tions occurring on or after the date of the enactment of
17 this Act.

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