

107TH CONGRESS
2D SESSION

S. 2189

To amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2002

Mr. ROCKEFELLER (for himself, Mr. SPECTER, Mr. DASCHLE, Mr. WELLSTONE, Mr. DURBIN, Ms. MIKULSKI, Mr. SARBANES, Mr. DAYTON, and Mrs. CLINTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American 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; CONGRESSIONAL FINDINGS AND**
4 **PURPOSE.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Steel Industry Consolidation and Retiree Benefits Pro-
7 tection Act of 2002”.

1 (b) CONGRESSIONAL FINDINGS AND PURPOSE.—

2 (1) FINDINGS.—Congress finds the following:

3 (A) The United States Department of
4 Commerce has documented that American steel-
5 workers and their employers have been forced
6 over the last 30 years to compete in a global
7 steel market in which foreign governments have
8 engaged in market distorting practices that to
9 this day sustain enormous overcapacity in world
10 steel supplies.

11 (B) The United States International Trade
12 Commission, in its recent investigation of steel
13 imports to the United States under section 201
14 of the Trade Act of 1974, has concluded that
15 surges of imported steel since the Asian crisis
16 of 1997 have caused serious injury to American
17 producers of most steel products.

18 (C) Since 1997, 32 American steel compa-
19 nies have been forced to seek bankruptcy pro-
20 tection, over 45,000 steelworkers have lost their
21 jobs, and over 100,000 steel retirees have suf-
22 fered a complete cutoff of vital medical and life
23 insurance benefits.

24 (D) Many steel industry retirees were
25 forced into retirement as a result of the

1 restructurings of the 1980's and 1990's, and
2 then, as a second blow, recently lost their re-
3 tiree medical insurance.

4 (E) Recent steel imports have pushed steel
5 prices to such record lows that surviving Amer-
6 ican steelmakers face imminent financial col-
7 lapse, and these firms employ over 185,000
8 workers in family-supporting jobs and provide
9 crucial medical coverage to hundreds of thou-
10 sands of retirees and beneficiaries.

11 (F) As American steel companies continue
12 to weaken or fail, a very different trend is un-
13 derway in other countries where governments
14 shoulder a substantial portion of retirement
15 costs and foreign steelmakers are now merging
16 into companies of unprecedented size and mar-
17 ket influence.

18 (G) If the American steel industry is to
19 survive and compete, it must transform itself
20 from a group of relatively small producers into
21 a consolidated market force.

22 (H) For many American steel companies,
23 the ability to consolidate is undermined by the
24 burden of retiree health and life insurance obli-
25 gations.

1 (2) PURPOSE.—It is the purpose of this Act to
2 ensure that—

3 (A) retired steelworkers receive medical
4 and life insurance coverage, and

5 (B) the American steel industry can con-
6 tinue to provide livelihoods to tens of thousands
7 of American workers, their families, and com-
8 munities through the receipt of assistance in
9 consolidating its position in world steel markets.

10 **SEC. 2. ESTABLISHMENT OF STEEL INDUSTRY RETIREE**
11 **BENEFITS PROTECTION PROGRAM.**

12 The Trade Act of 1974 is amended by adding at the
13 end the following new title:

14 **“TITLE IX—PROTECTION FOR**
15 **STEEL INDUSTRY RETIRE-**
16 **MENT BENEFITS**

“SUBTITLE A. Definitions.

“SUBTITLE B. Steel Industry Retiree Benefits Protection Pro-
gram.

“SUBTITLE C. Steel Industry Legacy Relief Trust Fund.

17 **“Subtitle A—Definitions**

“Sec. 901. Definitions.

18 **“SEC. 901. DEFINITIONS.**

19 “(a) TERMS RELATING TO BENEFITS PROGRAM.—
20 For purposes of this title—

21 “(1) RETIREE BENEFITS PROGRAM.—The term
22 ‘retiree benefits program’ means the Steel Industry

1 Retiree Benefits Protection Program established
 2 under this title to provide medical and death benefits
 3 to eligible retirees and beneficiaries.

4 “(2) STEEL RETIREE BENEFITS.—

5 “(A) IN GENERAL.—The term ‘steel retiree
 6 benefits’ means medical, surgical, or hospital
 7 benefits, and death benefits, whether furnished
 8 through insurance or otherwise, which are pro-
 9 vided to retirees and eligible beneficiaries in ac-
 10 cordance with an employee benefit plan (within
 11 the meaning of section 3(3) of the Employee
 12 Retirement Income Security Act of 1974)
 13 which—

14 “(i) is established or maintained by a
 15 qualified steel company or an applicable
 16 acquiring company, and

17 “(ii) is in effect on or after January
 18 1, 2000.

19 Such term includes benefits provided under a
 20 plan without regard to whether the plan is es-
 21 tablished or maintained pursuant to a collective
 22 bargaining agreement.

23 “(B) RETIREE.—

24 “(i) IN GENERAL.—The term ‘retiree’
 25 means an individual who has met any

1 years of service or disability requirements
 2 under an employee benefit plan described
 3 in subparagraph (A) which are necessary
 4 to receive steel retiree benefits under the
 5 plan.

6 “(ii) CERTAIN RETIREES IN-
 7 CLUDED.—An individual shall not fail to
 8 be treated as a retiree because the
 9 individual—

10 “(I) retired before January 1,
 11 2000, or

12 “(II) was not employed at the
 13 steelmaking assets of a qualified steel
 14 company.

15 “(b) TERMS RELATING TO STEEL COMPANIES.—For
 16 purposes of this title—

17 “(1) QUALIFIED STEEL COMPANY.—

18 “(A) IN GENERAL.—The term ‘qualified
 19 steel company’ means any person which on Jan-
 20 uary 1, 2000, was engaged in—

21 “(i) the production or manufacture of
 22 a steel mill product,

23 “(ii) the mining or processing of iron
 24 ore or beneficiated iron ore products, or

1 “(iii) the production of coke for use in
2 a steel mill product.

3 “(B) TRANSPORTATION.—The term ‘quali-
4 fied steel company’ includes any person which
5 on January 1, 2000, was engaged in the trans-
6 portation of any steel mill product solely or
7 principally for another person described in sub-
8 paragraph (A), but only if such person and
9 such other person are related persons.

10 “(C) SUCCESSORS IN INTEREST.—The
11 term ‘qualified steel company’ includes any suc-
12 cessor in interest of a person described in sub-
13 paragraph (A) or (B).

14 “(2) STEELMAKING ASSETS AND STEEL MILL
15 PRODUCTS.—

16 “(A) STEELMAKING ASSETS.—The term
17 ‘steelmaking assets’ means any land, building,
18 machinery, equipment, or other fixed assets lo-
19 cated in the United States which, at any time
20 on or after January 1, 2000, have been used in
21 the activities described in subparagraph (A) or
22 (B) of paragraph (1).

23 “(B) STEEL MILL PRODUCT.—The term
24 ‘steel mill product’ means any product defined

1 by the American Iron and Steel Institute as a
 2 steel mill product.

3 “(3) ACQUIRING COMPANY.—The term ‘acquir-
 4 ing company’ means any person which acquired on
 5 or after January 1, 2000, steelmaking assets of a
 6 qualified steel company with respect to which a
 7 qualifying event has occurred.

8 “(c) OTHER DEFINITIONS.—For purposes of this
 9 title—

10 “(1) RELATED PERSON.—The term ‘related
 11 person’ means, with respect to any person, a person
 12 who—

13 “(A) is a member of the same controlled
 14 group of corporations (within the meaning of
 15 section 52(a) of the Internal Revenue Code of
 16 1986) as such person, or

17 “(B) is under common control (within the
 18 meaning of section 52(b) of such Code) with
 19 such person.

20 “(2) SECRETARY.—The term ‘Secretary’ means
 21 the Secretary of Commerce.

22 “(3) TRUST FUND.—The term ‘Trust Fund’
 23 means the Steel Industry Legacy Relief Trust Fund
 24 established under subtitle C.

1 **“Subtitle B—Steel Industry Retiree**
 2 **Benefits Protection Program**

“I. Establishment.

“II. Relief and assumption of liability, eligibility, and certification.

“III. Program benefits.

3 **“PART I—ESTABLISHMENT**

“Sec. 902. Establishment.

4 **“SEC. 902. ESTABLISHMENT.**

5 “There is established a Steel Industry Retiree Bene-
 6 fits Protection program to be administered by the Sec-
 7 retary and the Board of Trustees of the Trust Fund in
 8 accordance with the provisions of this title for the purpose
 9 of providing medical and death benefits to eligible retirees
 10 and eligible beneficiaries certified as participants in the
 11 program under part II.

12 **“PART II—RELIEF AND ASSUMPTION OF**
 13 **LIABILITY, ELIGIBILITY, AND CERTIFICATION**

“Sec. 911. Relief and assumption of liability.

“Sec. 912. Qualifying events.

“Sec. 913. Eligibility and certification of eligibility.

14 **“SEC. 911. RELIEF AND ASSUMPTION OF LIABILITY.**

15 “(a) IN GENERAL.—If—

16 “(1) the Secretary certifies under section 912
 17 that there was a qualifying event with respect to a
 18 qualified steel company,

1 “(2) the asset transfer requirements of sub-
 2 section (b) are met with respect to the qualifying
 3 event, and

4 “(3) the qualified steel company and any ac-
 5 quiring company assumes their respective liability to
 6 make any contributions required under subsection
 7 (c),

8 then the United States shall assume liability for the provi-
 9 sion of steel retiree benefits for each eligible retiree and
 10 eligible beneficiary certified for participation in the retiree
 11 benefits program under section 913 (and the qualified
 12 steel company, any predecessor or successor, and any re-
 13 lated person to such company, predecessor, or successor
 14 shall be relieved of any liability for the provision of such
 15 benefits). The United States shall be treated as satisfying
 16 any liability assumed under this subsection if benefits are
 17 provided to eligible retirees and eligible beneficiaries under
 18 the retiree benefits program provided in part III.

19 “(b) REQUIRED ASSET TRANSFERS.—

20 “(1) IN GENERAL.—The requirements of this
 21 subsection are met if the qualified steel company
 22 and any applicable acquiring company transfer to
 23 the Trust Fund all assets, as determined in accord-
 24 ance with rules prescribed by the Secretary, which,
 25 under the terms of an applicable collective bar-

1 gaining agreement, were required to be set aside
2 under an employee benefit plan or otherwise for the
3 provision of the steel retiree benefits the liability for
4 which (determined without regard to this subsection)
5 is relieved by operation of subsection (a). The assets
6 required to be transferred shall not include vol-
7 untary contributions, including voluntary contribu-
8 tions made pursuant to a voluntary employees bene-
9 ficiary association trust, which are in excess of the
10 contributions described in the preceding sentence.

11 “(2) DETERMINATION.—The amount of the as-
12 sets to be transferred under paragraph (1) shall be
13 determined at the time of the certification under sec-
14 tion 912 and shall include interest from the time of
15 the determination to the time of transfer. Such
16 amount shall be reduced by any payments from such
17 assets which are made after the determination by
18 the qualified steel company or applicable acquiring
19 company for the provision of steel retiree benefits
20 for which such assets were set aside and the liability
21 for which (determined without regard to this sub-
22 section) is relieved by operation of subsection (a).

23 “(c) CONTRIBUTION REQUIREMENTS.—

24 “(1) CONTRIBUTIONS BASED ON OWNERSHIP
25 OF STEELMAKING ASSETS.—

“(A) IN GENERAL.—If there is a qualifying event certified under section 912 with respect to a qualified steel company—

“(i) the qualified steel company shall assume the obligation to pay, and

“(ii) if the qualified steel company transferred on or after January 1, 2000, any of its steelmaking assets, the qualified steel company and any acquiring company acquiring such assets as part of (or after) a qualifying event shall assume the obligation to pay,

to the Trust Fund for each of the years in the 10-year period beginning on the date of the qualifying event its ratable share of the amount determined under subparagraph (B) with respect to the steelmaking assets owned by such company or person.

“(B) AMOUNT OF LIABILITY.—

“(i) IN GENERAL.—The amount required to be paid under subparagraph (A) for any year shall be equal to \$5 per ton of products described in section 901(b)(1)(A) attributable to the steelmaking assets which are the subject of

1 the qualifying event and shipped to a per-
2 son other than a related person. If 2 or
3 more persons own steelmaking capacity or
4 assets, the liability under this clause shall
5 be allocated ratably on the basis of their
6 respective ownership interests. The deter-
7 mination under this clause for any year
8 shall be made on the basis of shipments
9 during the calendar year preceding the cal-
10 endar year in which such year begins.

11 “(ii) REDUCTIONS IN LIABILITY.—
12 The amount of any liability under clause
13 (i) for any year shall be reduced by the
14 amount of any assets transferred to the
15 Trust Fund under subsection (b), reduced
16 by any portion of such amount applied to
17 a liability for any preceding year. If 2 or
18 more persons are liable under subpara-
19 graph (A) with respect to any qualifying
20 event, any reduction with respect to assets
21 transferred to the Trust Fund under sub-
22 section (b) shall be allocated ratably
23 among such persons on the basis of their
24 respective liabilities or in such other man-
25 ner as such persons may agree.

1 “(2) FASB LIABILITY IN CASE OF CERTAIN
2 QUALIFYING EVENTS.—

3 “(A) IN GENERAL.—If there is a qualifying
4 event (other than a qualified acquisition) with
5 respect to a qualified steel company, then, sub-
6 ject to the provisions of subparagraphs (C) and
7 (D), the qualified steel company shall be liable
8 for payment to the Trust Fund of the amount
9 determined under subparagraph (B). If a quali-
10 fied acquisition occurs after another qualifying
11 event, such other qualifying event shall be dis-
12 regarded for purposes of this paragraph.

13 “(B) AMOUNT OF LIABILITY.—The
14 amount determined under this subparagraph
15 shall be equal to the excess (if any) of—

16 “(i) the amount determined under the
17 Financial Accounting Standards Board
18 Rule 106 as being equal to the present
19 value of the steel retiree benefits of eligible
20 retirees and beneficiaries of the qualified
21 steel company the liability for which (de-
22 termined without regard to any modifica-
23 tion pursuant to section 1114 of title 11,
24 United States Code) is relieved under sub-
25 section (a), over

1 “(ii) the sum of—

2 “(I) the value of the assets trans-
3 ferred under subsection (b) with re-
4 spect to the retirees and beneficiaries,
5 and

6 “(II) the present value of any
7 payments (other than payments deter-
8 mined under this subparagraph) to be
9 made under this subsection with re-
10 spect to steelmaking assets of the
11 qualified steel company.

12 “(C) DISCHARGES IN BANKRUPTCY.—The
13 amount of any liability under subparagraph (B)
14 shall be reduced by the portion of such liability
15 which, in accordance with the provisions of title
16 11, United States Code, is discharged in any
17 bankruptcy proceeding.

18 “(D) NO LIABILITY IF INDUSTRY-WIDE
19 ELECTION MADE.—If a qualifying event occurs
20 by reason of a qualified election under section
21 912(d)(2)(B), then—

22 “(i) any liability that arose under this
23 paragraph for any qualifying event occur-
24 ring before such election is extinguished
25 (and any payment of such liability shall be

1 refunded from the Trust Fund with inter-
2 est), and

3 “(ii) no liability shall arise under this
4 paragraph with respect to the qualifying
5 event occurring by reason of such election
6 or any subsequent qualifying event.

7 “(3) JOINT AND SEVERAL LIABILITY.—Any re-
8 lated person of any person liable for any payment
9 under this subsection shall be jointly and severally
10 liable for the payment.

11 “(4) TIME AND MANNER OF PAYMENT.—The
12 Secretary shall establish the time and manner of any
13 payment required to be made under this subsection,
14 including the payment of interest.

15 **“SEC. 912. QUALIFYING EVENTS.**

16 “(a) IN GENERAL.—For purposes of this title, the
17 term ‘qualifying event’ means any—

18 “(1) qualified acquisition,

19 “(2) qualified closing,

20 “(3) qualified election, and

21 “(4) qualified bankruptcy transfer.

22 “(b) QUALIFIED ACQUISITION.—For purposes of this
23 title, the term ‘qualified acquisition’ means any arms’-
24 length transaction or series of related transactions—

1 “(1) under which a person (whether or not a
 2 qualified steel company) acquires by purchase, merg-
 3 er, stock acquisition, or otherwise all or substantially
 4 all of the steelmaking assets held by the qualified
 5 steel company as of January 1, 2000, and

6 “(2) which occur on and after January 1, 2000,
 7 and before the date which is 2 years after the date
 8 of the enactment of this title.

9 Such term shall not include any acquisition by a related
 10 person.

11 “(c) QUALIFIED CLOSING.—For purposes of this
 12 title—

13 “(1) IN GENERAL.—The term ‘qualified closing’
 14 means—

15 “(A) the permanent cessation on or after
 16 January 1, 2000, and before January 1, 2004,
 17 by a qualified steel company operating under
 18 the protection of chapter 11 or 7 of title 11,
 19 United States Code, of all activities described in
 20 subparagraph (A) or (B) of paragraph (1) of
 21 section 901(b), or

22 “(B) the transfer on or after January 1,
 23 2000, and before January 1, 2004, by a quali-
 24 fied steel company operating under the protec-
 25 tion of chapter 11 or 7 of title 11, United

1 States Code, of all or substantially all of its
2 steelmaking assets to 1 or more persons other
3 than related persons in an arms'-length trans-
4 action or series of related transactions which do
5 not constitute a qualified acquisition.

6 “(2) COMPANIES IN IMMINENT DANGER OF
7 CLOSURE.—A qualified closing of a qualified steel
8 company operating under the protection of chapter
9 11 or 7 of title 11, United States Code, shall be
10 treated as having occurred if the company—

11 “(A) meets the acquisition effort require-
12 ments of paragraph (3),

13 “(B) establishes to the satisfaction of the
14 Secretary that—

15 “(i) it is in imminent danger of be-
16 coming a closed company, or

17 “(ii) in the case of a company oper-
18 ating under protection of chapter 11 of
19 title 11, United States Code, it is unable to
20 reorganize without the relief provided
21 under this title, and

22 “(C) elects, in such manner as the Sec-
23 retary prescribes, at any time after the date of
24 the enactment of this title and before the date
25 which is 2 years after the date of the enactment

1 of this title, to avail itself of the relief provided
2 under this title.

3 “(3) ACQUISITION EFFORT REQUIREMENTS.—

4 “(A) IN GENERAL.—The requirements of
5 this paragraph are met by a qualified steel com-
6 pany if—

7 “(i) the company files with the Sec-
8 retary within 10 days of the date of the
9 enactment of this title—

10 “(I) a notice of intent to be ac-
11 quired, and

12 “(II) a description of the actions
13 the company will undertake to have
14 its steelmaking assets acquired in a
15 qualified acquisition, and

16 “(ii) the company at all times after
17 the filing under clause (i) and the date
18 which is 2 years after the date of the en-
19 actment of this title (or, if earlier, the date
20 on which the requirement of paragraph
21 (2)(B) is satisfied) makes a continuing,
22 good faith effort to have its steelmaking
23 assets acquired in a qualified acquisition.

1 “(B) GOOD FAITH EFFORT.—A continuing,
 2 good faith effort under subparagraph (A)(ii)
 3 shall include—

4 “(i) the active marketing of a com-
 5 pany’s steelmaking assets through the re-
 6 tention of an investment banker, the prep-
 7 aration and distribution of offering mate-
 8 rials to prospective purchasers, allowing
 9 due diligence and investigatory activities by
 10 prospective purchasers, the active and good
 11 faith consideration of all expressions of in-
 12 terest by prospective purchasers, and any
 13 other affirmative action designed to result
 14 in a qualified acquisition of a company’s
 15 steelmaking assets, and

16 “(ii) a demonstration to the Secretary
 17 by the company that no bona fide and fair
 18 offer which would have resulted in a quali-
 19 fied acquisition of the company’s
 20 steelmaking assets has been unreasonably
 21 refused.

22 “(d) QUALIFIED ELECTION.—For purposes of this
 23 title—

24 “(1) IN GENERAL.—The term ‘qualified elec-
 25 tion’ means an election by a qualified steel company

operating under the protection of chapter 11 or 7 of title 11, United States Code, meeting the acquisition effort requirements of subsection (c)(3) to transfer its obligations for steel retiree benefits to the retiree benefit program. Such an election shall be made not earlier than the date which is 2 years after the date of the enactment of this title, and in such manner as the Secretary may prescribe.

“(2) INDUSTRY-WIDE ELECTION.—Notwithstanding paragraph (1), a qualified election shall be treated as having occurred with respect to a qualified steel company (whether or not operating under the protection of chapter 11 or 7 of title 11, United States Code) if—

“(A) the Secretary determines that at least 200,000 eligible retirees and beneficiaries have been certified under section 913 for participation in the retiree benefits program, and

“(B) the qualified steel company elects to avail itself of the relief provided under this title on or after the date of the determination under subparagraph (A).

“(e) QUALIFIED BANKRUPTCY TRANSFER.—For purposes of this title, the term ‘qualified bankruptcy transfer’ means any transaction or series of transactions—

1 “(1) under which the qualified steel company,
2 operating under the protection of chapter 11 or 7 of
3 title 11, United States Code, transfers by any means
4 (including but not limited to a plan of reorganiza-
5 tion) its control over at least 30 percent of the pro-
6 duction capacity of its steelmaking assets to 1 or
7 more persons which are not related persons of such
8 company,

9 “(2) which are not part of a qualified acquisi-
10 tion or qualified closing of a qualified steel company,
11 and

12 “(3) which occur on and after January 1, 2000,
13 and before January 1, 2004.

14 “(f) CERTIFICATION.—

15 “(1) IN GENERAL.—The Secretary shall certify
16 a qualifying event with respect to a qualified steel
17 company if the Secretary determines that the re-
18 quirements of this title are met with respect to such
19 event and that the asset transfer and contribution
20 requirements of section 911 will be met.

21 “(2) TIME FOR DECISION.—The Secretary shall
22 make any determination under this subsection as
23 soon as possible after a request is filed (and in the
24 case of a request for certification as a qualified ac-

1 quisition filed at least 60 days before the proposed
2 date of the acquisition, before such proposed date).

3 “(3) ELIGIBILITY TO FILE REQUEST.—A re-
4 quest for certification under this subsection may be
5 made by the qualified steel company or any labor or-
6 ganization acting on behalf of retirees of such com-
7 pany.

8 **“SEC. 913. ELIGIBILITY AND CERTIFICATION.**

9 “(a) RETIREES.—

10 “(1) IN GENERAL.—Any individual who is a re-
11 tiree of a qualified steel company with respect to
12 which the Secretary has certified under section 912
13 that a qualifying event has occurred shall be treated
14 as an eligible retiree for purposes of this title if—

15 “(A) the individual was receiving steel re-
16 tiree benefits under an employee benefit plan
17 described in section 901(a)(2)(A) as of the date
18 of the qualifying event, or

19 “(B) the individual was eligible to receive
20 such benefits on such date but was not receiv-
21 ing such benefits because the plan ceased to
22 provide such benefits.

23 “(2) CERTAIN INDIVIDUALS INCLUDED.—An in-
24 dividual shall be treated as an eligible retiree under
25 paragraph (1) if the individual—

1 “(A) was an employee of the qualified steel
2 company before a qualified acquisition,

3 “(B) became an employee of the acquiring
4 company as a result of the acquisition, and

5 “(C) voluntarily retires within 3 years of
6 the acquisition.

7 “(b) BENEFICIARIES.—An individual shall be treated
8 as an eligible beneficiary for purposes of this title if the
9 individual is the spouse, surviving spouse, or dependent
10 of an eligible retiree (or an individual who would have been
11 an eligible retiree but for the individual’s death before the
12 date of the qualifying event).

13 “(c) CERTIFICATION OF ELIGIBLE RETIREES AND
14 BENEFICIARIES.—

15 “(1) IN GENERAL.—The Board of Trustees of
16 the Trust Fund shall certify an individual as an eli-
17 gible retiree or eligible beneficiary if the individual
18 meets the requirements of this section.

19 “(2) ELIGIBILITY TO FILE REQUEST.—A re-
20 quest for certification under this subsection may be
21 filed by any individual seeking to be certified under
22 this subsection, the qualified steel company, an ac-
23 quiring company, a labor organization acting on be-
24 half of retirees of such company, or a committee ap-

1 pointed under section 1114 of title 11, United States
2 Code.

3 “(d) RECORDS.—A qualified steel company, an ac-
4 quiring company, and any successor in interest shall on
5 and after the date of the enactment of this title maintain
6 and make available to the Secretary and the Board of
7 Trustees of the Trust Fund, all records, documents, and
8 materials (including computer programs) necessary to
9 make the certifications under this section.

10 **“PART III—PROGRAM BENEFITS**

“Sec. 921. Program benefits.

11 **“SEC. 921. PROGRAM BENEFITS.**

12 “(a) GENERAL RULE.—Each eligible retiree and eli-
13 gible beneficiary who is certified for participation in the
14 retiree benefits program shall be entitled—

15 “(1) to receive health care benefits coverage de-
16 scribed in subsection (b), and

17 “(2) in the case of an eligible retiree, payment
18 of \$5,000 death benefits coverage to the beneficiary
19 of the retiree upon the retiree’s death.

20 “(b) HEALTH CARE BENEFITS COVERAGE.—

21 “(1) IN GENERAL.—The Board of Trustees of
22 the Trust Fund shall establish health care benefits
23 coverage under which eligible retirees and bene-
24 ficiaries are provided benefits for health care items

1 and services that are substantially the same as the
2 benefits offered as of January 1, 2002, under the
3 Blue Cross/Blue Shield Standard Plan provided
4 under the Federal Employees Health Benefit Pro-
5 gram under chapter 89 of title 5, United States
6 Code, to Federal employees and annuitants. In pro-
7 viding the benefits under such program, the sec-
8 ondary payer provisions and the provisions relating
9 to benefits provided when an individual is eligible for
10 benefits under the medicare program under title
11 XVIII of the Social Security Act that are applicable
12 under such Plan shall apply in the same manner as
13 such provisions apply to Federal employees and an-
14 nuitants under such Plan.

15 “(2) CONTRACTING AUTHORITY.—The Board of
16 Trustees of the Trust Fund shall have the authority
17 to enter into such contracts as are necessary to
18 carry out the provisions of this subsection, including
19 contracts necessary to ensure adequate geographic
20 coverage and cost control. The Board of Trustees
21 may use the authority under this subsection to es-
22 tablish preferred provider organizations or other al-
23 ternative delivery systems.

24 “(3) PREMIUMS, DEDUCTIBLES, AND COST
25 SHARING.—The Board of Trustees of the Trust

1 Fund shall establish premiums, deductibles, and cost
 2 sharing for eligible retirees and beneficiaries pro-
 3 vided health care benefits coverage under paragraph
 4 (1) which are substantially the same as those re-
 5 quired under the Blue Cross/Blue Shield Standard
 6 Plan described in paragraph (1).

7 **“Subtitle C—Steel Industry Legacy**
 8 **Relief Trust Fund**

9 **“SEC. 931. STEEL INDUSTRY LEGACY RELIEF TRUST FUND.**

10 “(a) CREATION OF TRUST FUND.—There is estab-
 11 lished in the Treasury of the United States a trust fund
 12 to be known as the Steel Industry Legacy Relief Trust
 13 Fund, consisting of such amounts as may be appropriated
 14 to the Trust Fund as provided in this section.

15 “(b) TRANSFERS TO TRUST FUND.—

16 “(1) IN GENERAL.—There are appropriated to
 17 the Trust Fund amounts equivalent to—

18 “(A) tariffs on steel mill products received
 19 in the Treasury under title II of this Act,

20 “(B) amounts received in the Treasury
 21 from asset transfers and contributions under
 22 section 911,

23 “(C) amounts credited to the Trust Fund
 24 under section 9602(b) of the Internal Revenue
 25 Code of 1986, and

1 “(D) the premiums paid by retirees under
2 the program.

3 “(2) AUTHORIZATION OF APPROPRIATIONS.—
4 There is authorized to be appropriated to the Trust
5 Fund each fiscal year an amount equal to the excess
6 (if any) of—

7 “(A) expenditures from the Trust Fund for
8 the fiscal year, over

9 “(B) the assets of the Trust Fund for the
10 fiscal year without regard to this paragraph.

11 “(c) EXPENDITURES.—Amounts in the Trust Fund
12 shall be available only for purposes of making
13 expenditures—

14 “(1) to meet the obligations of the United
15 States with respect to liability for steel retiree bene-
16 fits transferred to the United States under this title,
17 and

18 “(2) incurred by the Secretary and the Board
19 of Trustees in the administration of this title.

20 “(d) BOARD OF TRUSTEES.—

21 “(1) IN GENERAL.—The Trust Fund and the
22 retiree benefits program shall be administered by a
23 Board of Trustees, consisting of—

1 “(A) 2 individuals designated by agree-
 2 ment of the 5 qualified steel companies which,
 3 as of the date of the enactment of this title—

4 “(i) are conducting activities described
 5 in subparagraph (A) or (B) of section
 6 901(b)(1), and

7 “(ii) have the largest number of retir-
 8 ees, and

9 “(B) 2 individuals designated by the
 10 United Steelworkers of America in consultation
 11 with the Independent Steelworkers Union, and

12 “(C) 3 individuals designated by individ-
 13 uals designated under subparagraphs (A) and
 14 (B).

15 “(2) DUTIES.—Except for those duties and re-
 16 sponsibilities designated to the Secretary, the Board
 17 of Trustees shall have the responsibility to admin-
 18 ister the Trust Fund and the retiree benefits pro-
 19 gram, including—

20 “(A) enrolling eligible retirees and bene-
 21 ficiaries under the program,

22 “(B) procuring the medical services to be
 23 provided under the program,

1 “(C) entering into contracts, leases, or
 2 other arrangements necessary for the imple-
 3 mentation of the program,

4 “(D) implementing cost-containment meas-
 5 ures under the program,

6 “(E) collecting revenues and enforcing
 7 claims and rights of the program and the Trust
 8 Fund,

9 “(F) making disbursements as necessary
 10 under the program, and

11 “(G) acquiring and maintaining such
 12 records as may be necessary for the administra-
 13 tion and implementation of the program.

14 “(3) REPORT.—The Board of Trustees report
 15 to Congress each year on the financial condition and
 16 the results of the operations of the Trust Fund dur-
 17 ing the preceding fiscal year and on its expected
 18 condition and operations during the next 2 fiscal
 19 years. Such report shall be printed as a House docu-
 20 ment of the session of Congress to which the report
 21 is made.

22 “(e) TRANSFER INVESTMENT OF ASSETS.—Sections
 23 9601 and 9602(b) of the Internal Revenue Code of 1986
 24 shall apply to the Trust Fund.”

