

Whereas, America's crumbling infrastructure needs to be rebuilt and domestically produced steel could be used to assist in the rebuilding of our cities and towns; and

Whereas, suppliers of raw materials from areas such as Minnesota, Michigan, West Virginia and Pennsylvania, and consumers such as automobile manufacturers in Michigan and aerospace manufacturers in Washington would be severely impacted if the domestic steel industry is permitted to erode; and

Whereas, by way of example, 3,200 steel industry-related jobs would be lost in Cleveland, 7,500 jobs would be eliminated in Ohio, Illinois and Indiana, 40,000 additional jobs would be affected nationally and 50,000 families nation-wide would have pension and health benefits reduced; and

Whereas, foreign steel imports have spiked to 40 percent of the U.S. market, up from 20 percent just two years ago, by selling steel at prices that are significantly below the cost of production; and

Whereas, the U.S. Trade Commission has determined that illegal dumping of foreign-made steel has occurred and the administration is currently considering an appropriate remedy for this practice;

Now, therefore, be it resolved, That the National League of Cities urges the President to consider action under international trade law to determine whether there has been dumping of foreign-made steel in the U.S.

Be it further resolved, That the National League of Cities urges Congress and the Administration to consider federal programs to assist U.S. steel makers in gaining resources that would be used for reinvestment, retooling and restructuring.

STATEMENT OF BRUCE SIMON, COUNSEL TO
UNITED STEELWORKERS OF AMERICA

Good afternoon.

My name is Bruce Simon. I am a partner in the firm of Cohen, Weiss and Simon, and we are Counsel to the United Steelworkers of America in the LTV Steel matter.

I'd like to start with a brief review of one of the key findings of the Emergency Steel Loan Guaranty Act of 1999; an overview of employment in the steel industry; an update on LTV itself, including the status of the bankruptcy proceeding, and then deal with the loan application now pending before the Emergency Steel Loan Guaranty Board. I will conclude with a suggestion about what the Steel Caucus, and the United States Congress can do about it.

First, a little congressional history:

1. [Sec. 101(b)(6)] of the Emergency Steel Loan Guaranty Act of 1999, provides: "Congress finds that (6) a strong steel industry is necessary to the adequate defense preparedness of the United States in order to have sufficient steel available to build the ships, tanks, planes and armaments necessary for the national defense". And that was before September 11, 2001.

2. Congress's findings in the 1999 law also recited the loss of 10,000 steelworkers jobs in 1998, and 3 medium-sized steel bankruptcies (ACME, LaCiede, Geneva).

Since then, literally tens of thousands more steelworkers have lost their jobs. Just last Friday, the Bureau of Labor Statistics reported that in the last 12 months alone, 17,600 Steelworkers lost their jobs—not including the 6,000 so far at LTV.

And, of course, we now have 28 steel companies in bankruptcy, including two of the very largest, LTV and Bethlehem.

SNAPSHOT OF LTV

1. 6,800 employees, + 2000 at LTV Tubular

2. 70.00 Retirees, surviving spouses and dependents on Retiree Health

3. Legacy costs \$1.5B

4. Pension underfunding—\$1/2 B

LEGAL STATUS

Last week, on December 5, the Bankruptcy Court in Youngstown, Ohio issued an order which carried out an agreement made in Chambers—between the Company, its secured lenders, its noteholders, the Creditors Committee and the Steelworkers. I should note that Members Kucinich and Latourette were very effective witnesses on behalf of Steelworkers. The Court's Order, in effect, put LTV on a limited life support system, on a respirator, in the intensive care unit. The Order provides:

(a) the Company's integrated steel units are to be maintained in a form of hot idle until the President issues Section 201 remedies by March, 2002

(b) the coke plants in Warren, Ohio and Chicago are to be held alive for 3 weeks

(c) the Company is to support and cooperate in continuing efforts to secure the Byrd loan, and to report back to the Court on December 19—next Wednesday

Where do we stand with the Emergency Loan Board?

Let me start with a conclusion, and work backwards from there.

The power to save LTV, and the power to bury LTV rests in one place—the Emergency Steel Loan Guaranty Board.

Now, the question for the day is—what can the Steel Caucus do, what can the Congress of the United States do, to move the Loan Board to exercise its power to let LTV live—and not exercise its power to pull the plug?

There has been a considerable amount of finger-pointing and blame assessment over the past few months—and there are many, many candidates for the role of accessory-before-the-fact. But with all due respect, the United Steelworkers of America believes this not the time to pin the tail on the donkey for the closing of LTV.

This is the time, perhaps the last time, that something can be done to avoid the catastrophic consequences of the closing of LTV that you have just heard about from the steelworker members of this panel.

I'm going to spend a few minutes to support my conclusion—that the focus now is on the Loan Board—and then propose a course of action—immediate action—for the Steel Caucus to take.

Here's where we are today.

There is pending on the desk of the Emergency Steel Loan Guaranty Board an application by the National City Bank, and Key Bank, on behalf of LTV, for a \$250 million loan guaranty.

The application is supported by an analysis by the big 5 Accounting Firm of Deloitte Touche, for the Official Creditors Committee of LTV, appointed by the Bankruptcy Court, which states that the second, historic, labor agreement negotiated between LTV's creditors and the Steelworkers provides the following—and I quote: (1) "the Company is able to fully repay the Byrd Loan by the end of 2005," (2) "the Company is projected to maintain positive liquidity over the five year period with a low point of \$35M in 2002".

Thus, the Loan Board has been told by one of the most highly respected Accounting firms, one of the "big 5", that its primary concerns have been met—that, if the \$250M loan is made, it will be paid back as the law requires; and the Company will have the liquidity, the cash on hand, to carry on its business.

Until now, there has been buck passing. From Management of LTV to its banks; from

the Byrd Bill banks to the DIP lenders; then to the Union. And back and forth. Now, buck passing is over, and there is one—and only one, focus. The Loan Board has the power to keep LTV alive, so that efforts already under way to help the entire industry (by addressing the illegal dumping, by addressing legacy costs) have a chance to click in. If the Board fails to act, it will have pulled the plug before the doctor has had a chance to operate.

Finally, what must be done? The Steel Caucus, and the other members of Congress, must convey to the members of the Emergency Steel Loan Guaranty Board, that the will and intent of Congress in the Emergency Steel Loan Guaranty Act of 1999 was that instances like LTV are precisely the instances where guaranty should be issued. The Board must be told, forcefully, that the time to act is now, and that the Guaranty should be issued forthwith.

ELIGIBILITY OF CERTAIN PERSONS FOR BURIAL IN ARLINGTON NATIONAL CEMETERY

SPEECH OF

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. SIMPSON. Madam Speaker, I rise today in support of H.R. 3423, which extends burial eligibility at Arlington National Cemetery to those reservists who retire before age 60—the age at which they become eligible for retired pay.

H.R. 3423 also makes eligible for in-ground burial at Arlington a member of a reserve component who dies in the line of duty while on active or inactive duty training. To me as a layperson, active duty for training and inactive duty training is a distinction without a difference.

Either way, a life was given to protect the freedoms of all the rest of us.

Earlier this year, a military plane crashed in Georgia. On board were Guardsmen returning home from active duty for training. All on board died. Yet none was eligible for burial at Arlington because they were on training status as opposed to mobilized status.

Their military classification at the time of death made no difference to the widows and children left without a husband and father. The fact of the matter is that these soldiers died in the line of duty.

Madam Speaker, this bill is yet another testament to Chairman SMITH's commitment to our servicemembers, veterans, and their survivors.

In the wake of the September 11 attacks on Americans, I thank Chairman SMITH for taking the initiative to introduce and bring this bill to the floor before we adjourn for the year.

I urge my colleagues to support H.R. 3423.