

News From _____

U.S. Senator
Robert C. Byrd
West Virginia
Phone (202) 224-3904

For immediate release:

Friday, May 14, 1999

Contact: Ann Adler

(202) 224-3904

WASHINGTON, D.C... After two Republican members of the House of Representatives serving on an appropriations conference committee reversed course and stripped the steel loan guarantee program from the emergency supplemental appropriations bill after having agreed to it less than 24 hours earlier, Senator Robert C. Byrd, D-W.Va., late Thursday secured commitments from the bipartisan leadership of the House and Senate to allow a separate vote on Byrd's steel loan program.

"I am disappointed by the insistence of the Republican leadership that this program not be included in the emergency supplemental bill. If ever there were an emergency in this country, it is the crisis facing our steelworkers and steel companies now," Byrd said.

Although Byrd's steel provision was not included in the emergency supplemental bill finally approved by the conference committee, an agreement was reached to allow a separate emergency appropriations bill, containing the loan guarantee program, to be considered by both the House and Senate.

"This loan guarantee is important to tens of thousands of steelworkers and their families. It is important to steel communities in West Virginia, Pennsylvania, Missouri, Alabama, and many more states. These are real people, facing a real crisis. The prospect of further layoffs and closures looms large. Help is urgently needed, and I intend to do all that I can to expedite Congressional action on the loan guarantee program," Byrd said.

"The Congress has provided guaranteed loans and grants to governments of foreign countries for programs that will help their people. What's wrong with helping our own people?" Byrd stated.

Since the flood of steel imports began in late 1997 and continued to record levels in 1998, 10,000 steelworkers, including nearly 800 at Weirton Steel, have been laid off their job. Several domestic steel plants have closed or declared bankruptcy. With no assurances that steel imports will abate in the near future, financial institutions are unwilling to restructure most U.S. steel producers' debt. Without financial aid, weakened steel producers and their employers are increasingly threatened by closure.

"The Congress has approved loan guarantee programs before. We supported New York City. We bailed out Lockheed and Chrysler and Conrail. Loan guarantees worked then and will work now," Byrd said.

Under Byrd's provisions, a steel loan guarantee program would be established to provide qualified U.S. steel producers with access to a two-year, \$1 billion loan guarantee program to back loans provided by financial institutions. The minimum loan that could be guaranteed for a single company at any one time would be \$25 million, and the maximum aggregate amount of a loan guarantee that could be available to a single company would be \$250 million.

The Board overseeing the program would consist of the Secretary of Commerce, the Secretary of Labor, and the Secretary of the Treasury.

Byrd also thanked U.S. Representative Alan Mollohan, D-W.Va., who was a member of the House-Senate Appropriations Conference Committee, for his work to gain support for the loan guarantee program this week. Byrd noted that Rep. Mollohan was a key figure in ensuring the House leadership's commitment to consider the loan guarantee provision as an individual piece of legislation.

"Alan Mollohan is a true friend to steelworkers. His diligence and 'never-say-die' spirit helped to make this agreement possible," Byrd said.

###