

Steel Industry Preservation Act

Senator Shelley Moore Capito (R-W.Va.) and Representatives Michael Kelly (R-Pa.) and Michael Doyle (D-Pa.)

The U.S. steel industry directly employs 150,000 people and indirectly supports hundreds of thousands of additional jobs. The industry produced almost 100 million tons of steel in 2014. A strong domestic steel industry is critical for our nation's economy and our national security, but steel has faced strong headwinds in recent years.

The ***Steel Industry Preservation Act*** will help support jobs in this important economic sector, while also improving the environment by eliminating an EPA designated hazardous waste, saving energy by incentivizing the production of steel industry fuel, and boosting energy security.

Steel industry fuel is produced through a process liquefying coal waste sludge, distributing the liquefied product on metallurgical coal, and using the resulting mixture as a feedstock for the manufacture of coke.

The ***Steel Industry Preservation Act*** will create a tax credit worth \$2 per barrel of oil equivalent for the production of steel industry fuel made at a steel industry fuel facility placed in service before January 1, 2019. The credit will extend for 10 years from the date the facility is placed in service.

The benefit of the credit will flow to steel producers and workers, and will make producing steel less expensive. This will improve the competitiveness of domestic steel manufacturing and help strengthen opportunities for workers across the industry. Additionally, the process creates new jobs as steel industry fuel facilities are built and operated.

Alternative methods of disposing of coal waste sludge involve off-site incineration (using one energy source to dispose of another) or land filling. Incentivizing the production of steel industry fuel will help preserve the domestic steel industry, make efficient use of our energy resources and improve our environment.