

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Joint Resolution 11 (Senator Stone, *et al.*)

Finance

Rules and Executive Nominations

Bethlehem Steel Corporation Retirees Health Care and Life Insurance Benefits

This joint resolution urges Bethlehem Steel Corporation, International Steel Group, Inc. (ISG), and the United Steelworkers of America to work together to negotiate a group health care insurance and life insurance plan at affordable rates for Bethlehem Steel retirees and dependents who have lost or will lose their health care insurance and life insurance coverage as a result of Bethlehem Steel's termination of benefits announced February 6, 2003.

Fiscal Summary

State Effect: Compliance with this joint resolution would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Bethlehem Steel and ISG are requested to pay for as much of the retirees' and dependents' replacement health and life insurance coverage as possible and to take action to ensure as smooth a transition as possible. ISG is requested to establish a benefit trust for Bethlehem Steel retirees and dependents similar to the benefit trust ISG established for the retirees for LTV Steel Corporation and Acme Steel Corporation.

The Governor is requested to determine what assistance the State can provide to Bethlehem Steel retirees and dependents who lose their health and life insurance benefits because of the termination of benefits by Bethlehem Steel. The Maryland Congressional Delegation is requested to seek federal aid for Bethlehem Steel retirees and dependents who lose their health and life insurance benefits.

Current Law: None applicable.

Background: In February 2003, ISG announced its intention to purchase Bethlehem Steel which had previously filed for bankruptcy protection in 2001. Subsequent to the acquisition announcement, Bethlehem Steel announced that it planned to end health and life insurance benefits for retirees and dependents on March 31. This decision would impact over 19,000 Baltimore area retirees and their dependents. Bethlehem Steel advised that it had to terminate retiree health and life benefits for its 95,000 retirees because these benefits have cost the company approximately \$20 million per month since it filed for bankruptcy in October 2001.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2003
lc/jr

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