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Severstal Loan Questioned

By The Moscow Times

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A $730 million, 18-year loan to Severstal's American unit from the Department of Energy is being questioned by a committee of U.S. congressmen.

Darrell Issa, chairman of the committee on oversight and government reform, has asked the department for "answers about the decision-making processes" in granting the loan in July, according to the panel's web site. The department agreed to the loan as part of the "advanced technology vehicles manufacturing" program.

"It appeared there was no immediate need for this private firm to require federal financing, nor was it clear that the type of steel was even eligible," the committee statement said. It "is not in short supply in the United States," it added. "Current facilities are producing below capacity."

(Bloomberg)

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