

# ***United States Congress***

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## **BAUCUS, RANGEL, GRASSLEY, CAMP: EXPANDED TRADE ADJUSTMENT ASSISTANCE WILL SAVE JOBS, HELP AMERICAN WORKERS IN ECONOMIC RECOVERY BILL**

*Leaders of Senate Finance Committee, House Ways & Means Committee worked together  
on amendment to help companies keep good-paying jobs here at home,  
offer more workers better options to transition, train for new careers*

**Washington, DC** – Leaders of the Senate Finance Committee and the House Ways and Means Committee today unveiled an agreement to save jobs and to support American workers, communities, firms, and farmers by improving and expanding the Trade Adjustment Assistance (TAA) program in the American Recovery and Reinvestment Act of 2009. Finance Chairman Max Baucus (D-Mont.), Ways and Means Chairman Charlie Rangel (D-N.Y.), Finance Ranking Member Chuck Grassley (R-Iowa), and Ways and Means Ranking Member Dave Camp (R-Mich.) said that they will seek to amend the economic recovery bill with the measures to help companies and workers affected by global expansion of the American economy. Their amendment, the Trade and Globalization Adjustment Act of 2009, will authorize Trade Adjustment Assistance through 2010 and redesign benefits to be more flexible and accessible. The proposal:

- expands eligibility to workers in services industries and the public sector
- increases funds available for training programs by nearly 160 percent and provides more flexible training
- makes health care more available and affordable for covered workers
- assists trade-affected American firms become more competitive
- creates new opportunities for workers in communities negatively affected by trade
- helps farmers, ranchers, and fishermen become more competitive, and
- makes benefits available to workers whose jobs are offshored to any country.

**“America’s small businesses are doing their best to keep the jobs they have, and many American workers are looking for new employment. Improving and expanding Trade Adjustment Assistance in the economic recovery bill is an important step to retain jobs and help those who are out of work retool for new careers,”** said Baucus. **“International trade creates millions of American jobs – but in the instances when trade has negative effects, American workers and entrepreneurs need to know that someone’s got their back. This TAA bill provides help for companies to avoid layoffs altogether when global competition changes the game, and it multiplies the training and opportunities for every American worker to get and to keep the good-paying jobs that they deserve, right here at home.”**

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**“This breakthrough represents a bipartisan effort to expand and improve the Trade Adjustment Assistance program to help workers impacted by trade and globalization so they can get back on their feet -- and it could not have come at a better time,”** said Rangel. **“By expanding TAA coverage to service workers and more manufacturing workers, encouraging longer-term training and increasing training funds to \$575 million, we can help trade-affected workers get the assistance they need to obtain new, good paying jobs. We also made great improvements to the health benefits these folks receive, but additional work is needed to ensure that this health coverage is affordable for beneficiaries. While we continue shaping a new trade policy to expand the benefits of trade more broadly we also need to expand the assistance provided to those affected by trade and globalization; and there is no doubt that our TAA legislation accomplishes this goal.”**

**“This amendment reflects more than six years of oversight and thinking on my part on how to improve this program to best meet the needs of American workers in the globalized economy,”** Grassley said. **“It incorporates important changes that will significantly increase the flexibility so that eligible individuals are able to respond to their job loss the best way they see fit under their circumstances. It improves the accountability and internal oversight of the program, both at the state and federal level, to provide additional assurance that taxpayer monies will be well-spent. The reforms will provide immediate benefits to workers impacted by trade in Iowa and across the United States. Over the long term, it will help to strengthen and maintain the global competitiveness of our workforce. The amendment is a bipartisan compromise. It respects a social compact we’ve had on trade for more than 45 years. One part is to address the needs of trade-displaced workers. The other part is to open up new markets for U.S. exports. That was a driving principle when President Kennedy established the Trade Adjustment Assistance program. President Obama should hold true to that principle by doing everything he can to create new export opportunities, starting with implementation of our pending trade agreements.”**

**“It’s not every day that we are able to reach a bipartisan and bicameral compromise, and I am so proud to have reached agreement with Chairman Baucus, Chairman Rangel, and Senator Grassley on legislation to expand and improve the Trade Adjustment Assistance program. This important package provides a coherent, rational, accountable, and cost-effective system for training trade-affected workers and putting them back to work quickly and at better jobs. The expansion to cover services workers adversely affected by trade is a particularly important part of this deal, as well as the expanded and more flexible training opportunities designed to help workers obtain the skills they need to start new careers,”** Camp said. **“While this assistance package is absolutely essential to helping those dislocated by trade, it is also critical to note the positive impact that trade has on our economy and working families. The simple fact is that exports, and the millions of jobs that they support, are the largest contributor to our economic growth. Now that we’ve improved TAA, we need to move forward with our trade agenda to increase our exports and create more jobs here in the United States.”**

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### Preventing Layoffs and Creating New Jobs Here at Home

- **More than triples funding for TAA for Firms.** The TAA for Firms program, which helps businesses adjust to foreign competition, has a backlog of approved but unfunded projects equivalent to a full year's funding at current levels. The amendment authorizes \$50 million for the program and expands the program's reach by allowing firms to show a decline in sales or production over one, two, or three years instead of the current one year allowed.
- **TAA for Communities.** The amendment authorizes \$230 million for trade adjustment assistance for communities affected by trade. The bill makes qualifying communities eligible for strategic planning grants, with preference given to small and medium sized communities, as well as for economic development grants to pursue adjustment projects identified in the community's strategic plan. It also provides grants to community colleges and other educational institutions to improve training programs. And the amendment helps communities create partnerships between the private and public sector to create jobs and training opportunities in high growth fields, such as green jobs and healthcare.

### Opportunities for More American Workers

- **TAA benefits for service sector workers and firms.** Current law covers workers who produce *articles* that are subject to import competition. For the first time, the bill provides TAA benefits to trade-affected workers who supply *services*. The bill also expands eligibility to qualifying secondary workers in the services sector, including those supplying transportation, finishing, testing, packaging, and maintenance services to a firm whose workers are eligible to receive TAA.
- **Coverage for workers whose firms shift production to non-FTA partner countries.** Current law covers shifts in production to FTA-partner or certain preference program countries. The bill ensures that workers whose firms shift production to any country, including China or India, are eligible for TAA without having to meet other tests.
- **Eligibility protections for Americans on active duty military service.** The bill allows workers called up for active duty military service to restart their TAA enrollment process 30 days after completing of their service, or after a later date determined by the Secretary. If TAA-eligible workers are called into active duty, the benefit clock stops until they are ready to return to their retraining program. This ensures that servicemen and servicewomen called up for Reserve or National Guard duties have access upon their return to the full benefits to which they are entitled.
- **Expanded TAA eligibility for workers in the public sector.** The bill, for the first time, makes the full range of TAA benefits available to workers in the public sector when jobs are outsourced or lost due to import competition, including public hospitals, human resource offices and certain state and local program benefits offices.

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- ***Automatic eligibility for workers suffering from unfair trade and import surges.*** Unfair foreign subsidies and dumping of foreign goods and unexpected import surges can injure U.S. industries and cause workers in those industries to lose their jobs. The amendment allows firms in such industries to seek automatic TAA certification for workers who are laid off one year before or after an affirmative injury determination by the U.S. International Trade Commission with respect to the firm.
- ***Eligibility for manufacturers of component parts.*** Under current law, a firm that supplies component parts to another firm may be certified for TAA benefits only if the customer employed workers who were adversely affected by trade and receive TAA certification. If the customer's workers do not obtain TAA certification, the workers who lose their jobs at the component part supplier cannot either. The amendment remedies this shortcoming in current law. It also allows firms that supply component parts to foreign customers to petition for benefits if their customers switch to component parts produced outside the United States.
- ***Simpler eligibility criteria and expanded technical assistance for Farmers and Fishermen.*** The amendment reduces the commodity price decline that producers must demonstrate to qualify for benefits from 20 % to 15%, and it reduces the historical price data required from five years to three. The amendment clarifies that fishermen and aquaculture producers may receive TAA benefits whether they are competing against imported farmed or wild-caught fish or seafood. The amendment provides targeted training that was previously unavailable to most participants. Producers who successfully complete the training phases become eligible for up to \$12,000 in seed money to use their new skills and implement a business plan.

#### **More Training for Good-Paying Jobs**

- ***\$575 million in training funds – 160 percent more than the current amount.*** Current law caps training funds at \$220 million. In the past, some states have run out of training funds. The amendment authorizes up to \$575 million for fiscal years 2009 and 2010, and prorates such funds for the period beginning October 1, 2010, and ending December 31, 2010.
- ***More flexible training options.*** The amendment improves training options, including expanded opportunities for long-term training, part-time training, and pre-layoff training.
- ***Grants to community colleges and other educational institutions to improve training programs.*** In order to make local TAA training programs more responsive to the needs of local job markets and employers, the bill authorizes \$40 million in annual grants to community colleges and other educational institutions over two years. To qualify for these grants administered by the Secretary of Labor, the community college or other institution must partner with local community stakeholders, including employers and labor unions, to determine local workforce needs.

### Better Service and Better Outreach to Workers in Transition

- Easier access to benefits.** The bill streamlines multiple training enrollment deadlines (currently 8 weeks after certification or 16 weeks after separation, *and* 210 days after layoff) into one: 26 weeks after layoff or certification, whichever is later. It allows states to grant training waivers to workers with postgraduate degrees to allow more time for job search, and to workers disqualified due to state error. The bill gives 6 extra months for a worker to complete pre-requisite courses (necessary to enter most programs in healthcare), improves accountability for on-the-job training placements, extends TRA benefits for a worker whose approved training and TRA benefits were delayed, and ensures that workers who win administrative or judicial appeals are not penalized for time lost during such appeals.
- Improving the affordability and availability of health coverage.** The Health Coverage Tax Credit (HCTC) program provides health insurance benefits to TAA eligible workers or retirees covered by pension plans taken over by PBGC who have lost their employer-sponsored coverage. While many workers are eligible for the HCTC program, few enroll due to lack of affordability and difficulty in the enrollment process. The Senate amendment improves the HCTC program by increasing the premium subsidy level from 65 percent to 80 percent, providing workers retroactive payments to help cover the up-front costs of obtaining health coverage, improving coverage of spouses and dependents, and establishing new reporting requirements on the costs and types of health benefits available to this population. The proposal also provides \$150 million in grant funding to help states improve the availability of health insurance options and to help TAA eligible workers and retirees cover their monthly health premium costs. Discussions on this issue may continue as the process moves forward.
- More accessible wage insurance that works with other benefits.** For workers who seek quick re-employment, current law provides wage insurance – 50 percent of the wage differential between the old job and the new job up to \$10,000 – to workers more than 50 years of age. Current law, however, makes it difficult for an individual worker to qualify and requires a recipient of wage insurance to forfeit training. The amendment eliminates the requirement to forfeit training to be eligible for wage insurance, and it allows workers to switch from trade readjustment allowances (TRAs) to wage insurance payments at any time during their training. Further, the amendment provides for a worker who successfully completes training and is reemployed to receive reemployment TAA benefits in lieu of TRA benefits for the remainder of the worker’s TRA eligibility. And the provision raises the maximum yearly earnings of an eligible worker to \$55,000 (from \$50,000), and the maximum two-year benefit to \$12,000 (from \$10,000).
- Funding to help state caseworkers spend time with TAA clients.** TAA funds do not pay for caseworker time with clients, so states must use other sources of funds (including from shrinking non-entitlement programs like the Workforce Investment Act) to provide proper assessment, career counseling, and other case management services. The amendment provides \$86 million per year to states for administrative and case management services, as well as an additional \$350,000 to each state per year for case management services.

- ***Creates an Office of Trade Adjustment Assistance and improves outreach to workers.*** The GAO has found that few workers are aware of or understand TAA benefits. The bill creates an Office of Trade Adjustment Assistance within the Department of Labor, and creates a Deputy Assistant Secretary (DAS) for Employment and Training to oversee the office. The office will make eligibility determinations, give technical assistance to petitioners, explain benefits to participants, and provide feedback to Congress on TAA service delivery.

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