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**BAUCUS, SNOWE UNVEIL BOLD PROPOSAL  
TO REFINE, EXPAND TRADE ADJUSTMENT ASSISTANCE**  
*Legislation offers workers more opportunities to transition, train for new jobs*

*Washington, DC* – Senate Finance Committee Chairman Max Baucus (D-Mont.) and U.S. Senator Olympia Snowe (R-Maine) today introduced legislation to improve and extend the Trade Adjustment Assistance (TAA) program that supports workers, firms, and farmers affected by global expansion of the American economy. The Trade and Globalization Adjustment Assistance Act of 2007 extends current TAA programs for five years, redesigning benefits to be more flexible and accessible. The proposal expands eligibility to workers in services industries, creates new opportunities for workers in rural and distressed communities, and makes benefits available to workers affected by trade with any country.

**“Twelve million American jobs depend on trade. But if the global market negatively affects workers, Trade Adjustment Assistance should provide the help and new opportunities they need,”** said Baucus. **“Our bill will make TAA flexible enough to respond to workers’ needs regardless of what they do, or where challenges are coming from, so they can take hold of in-demand jobs right here at home.”**

**“Unlike job losses due to technological advances or competition among similarly regulated companies, which result from the initiative of private enterprise, trade liberalization that sacrifices foundational domestic industries is a policy choice. We therefore have an obligation to ensure that the costs are not borne by the most vulnerable workers alone,”** said Snowe. **“Of critical importance to Maine and other coastal states is the bill’s extension of benefits to fishermen who have seen their livelihoods dissolve due to the reduction of duties on foreign fish and seafood imports. I am also pleased that our bill moves forward a ‘TAA for Communities’ provision which I have long championed to addresses the unique challenges faced by displaced workers in smaller towns—including many in Maine-- where the local economy has been devastated by the closure or downsizing of its key industry, plant, or company following trade liberalization.”**

Trade Adjustment Assistance currently provides job retraining, income support, and health care benefits to manufacturing workers in instances when trade has a negative effect on their jobs. The Baucus-Snowe proposal makes TAA benefits available to additional workers, communities, and industries that may need them. It also strengthens the program in a number of ways – including increased training funds, improved outreach, enrollment, and assistance for affected workers, and better health care provisions. A detailed summary follows below.

The Senate Finance Committee, of which Snowe is also a member, has jurisdiction over U.S. trade policy, including Trade Adjustment Assistance.

## The Trade and Globalization Adjustment Assistance Act of 2007

The Trade and Globalization Adjustment Assistance Act of 2007 extends TAA to services sector workers and workers affected by offshoring to countries like China or India. It creates a new TAA program for rural and distressed communities, and makes training, healthcare and wage insurance benefits more accessible and flexible. It reauthorizes all TAA programs (which expire September 30, 2007) through September 30, 2012. Below are key provisions of the bill:

- ***Extends TAA benefits to service sector workers and firms.*** Current law covers workers who produce *articles* that are subject to import competition. A May 2007 GAO study found that 40% of TAA denials are because workers did not produce *an article*. The bill clarifies that workers who produce *services*, who are affected by trade, are also eligible for TAA.
- ***Covers workers whose firms shift production to non-FTA partner countries.*** Current law covers shifts in production only to FTA-partner or preference program countries. The bill ensures that workers whose firms shift production to China or India are eligible for TAA.
- ***Creates a TAA for Communities program.*** The bill authorizes \$300 million for trade adjustment assistance for communities affected by trade. The bill makes qualifying communities eligible for strategic planning grants (with preference given to rural communities), as well as for economic development grants if the communities cannot match grant funds as required by other federal programs. The bill requires a coordinated Federal response to economic dislocation in communities negatively impacted by trade. The bill also provides communities the same opportunity for appeal with the Court of International Trade afforded other TAA petitioners.
- ***Increases healthcare tax credit and fixes enrollment glitches.*** The Health Care Tax Credit (HCTC) program provides health insurance assistance 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 administrative problems. This legislation addresses these concerns by increasing the premium subsidy level from 65% to 85%, removing barriers to obtaining coverage, improving coverage of spouses and dependents, and improving insurance options in markets that lack affordable choices.
- ***Industry-wide investigations and certification.*** Often, workers in one factory will get certified while workers in another factory down the road making the same product will not, even though both groups were affected by foreign competition. The bill requires the Secretary of Labor to open an industry-wide investigation if the Secretary certifies three or more petitions in the industry within 180 days, or upon request by USTR or Congress. If the Secretary's investigation results in a certification, eligible workers laid off in that industry could immediately enroll in TAA.

- ***Makes wage insurance more accessible and flexible with other benefits.*** The bill eliminates requirements that a group of workers be certified for wage insurance for an individual in that group to apply for the benefit. The bill eliminates the requirement to forfeit training, and it allows workers to switch from trade readjustment allowances (TRAs) to wage insurance at any time during their training. Further, the bill provides for workers who successfully complete training to draw wage insurance upon reemployment for as many weeks as they had remaining to them in TRAs. Thus, workers who complete training within one year (while receiving TRAs), may draw a year of wage insurance at their new jobs if they pay less than their previous jobs. The bill also raises the maximum yearly earnings of an eligible worker to \$60,000 (from \$50,000), and the maximum two-year benefit to \$12,000 (from \$10,000).
- ***Restarts the eligibility clock for 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.
- ***Streamlines eligibility criteria for TAA for Farmers and Fishermen.*** The bill changes the 20% commodity price decline that producers must demonstrate to qualify to 10%, and offers producers intensive technical assistance. The bill allows producers to show a price decline in the most recent marketing year compared to the previous 5 years, *or* a decline in the 2 most recent years, compared to the previous three years. The bill clarifies that fishermen are covered if competing against imported farmed *or* wild stock. The bill allows USDA to re-certify commodities if imports still affect the commodity price, but do not necessarily rise further over the previous year's level. The bill also covers producers who had no positive net farm income.
- ***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. The program, authorized at \$16 million, never receives more than \$12 million annually. The bill authorizes \$50 million for the program. It also allows firms to show a trend decline over five years to be eligible (current law only considers one-year decline).
- ***Doubles training funding to up to \$440 million.*** The Trade Act of 2002 capped TAA training entitlement funds at \$220 million. In the past, states have run out of training funds. The bill authorizes up to \$440 million for Fiscal Year 2008, and creates a mechanism responsive to unanticipated increased demand. If states' total obligations or expenditures in a given fiscal year reach 90% of the authorized cap, the bill authorizes 100% of the previous fiscal year cap for the subsequent year's appropriation.
- ***Helps states fund caseworker time spent with TAA clients.*** TAA funds do not pay for caseworker time with clients, so states must use other sources (including from shrinking non-entitlement programs like the Workforce Investment Act program). This bill allows states to use no more than 5% of their training funds to help fund these services.

- ***Fixes technical hurdles 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, 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 was delayed, and ensures that workers who win administrative or judicial appeals are not penalized for time lost during such appeals.
- ***Creates a TAA Ombudsman and improves outreach to workers.*** The GAO has found that few workers are aware of or understand TAA benefits. The bill creates an independent TAA Ombudsman within DOL to give technical assistance to petitioners, explain benefits to participants, and provide feedback to Congress on TAA service delivery. The bill also requires DOL to implement a pilot program to make information available to workers enquiring about or drawing Unemployment Insurance benefits via telephone, internet or in-person.
- ***Improves transparency and accountability.*** The bill requires the DOL to devise transparent standards for investigations, including data requirements and criteria used to make determinations, and, after consulting with Congress, issue regulations (with notice and comment period) implementing such standards and criteria. It also requires the Secretaries of Labor, Agriculture and Commerce to collect and publish data on participation and outcomes for all of the TAA programs.

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