

103^D CONGRESS
1ST SESSION

S. 918

To amend the Trade Act of 1974 to provide trade adjustment assistance during the implementation and phase-in of the North American Free Trade Agreement, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 6 (legislative day, APRIL 19), 1993

Mr. ROTH (for himself, Mr. DURENBERGER, and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Trade Act of 1974 to provide trade adjustment assistance during the implementation and phase-in of the North American Free Trade Agreement, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “NAFTA Worker Adjustment Assistance Act”.

6 (b) REFERENCE.—Whenever in this Act an amend-
7 ment is expressed in terms of an amendment to a section,
8 subsection, or other provision, the reference shall be con-

sidered to be made to a section, subsection, or other provision of the Trade Act of 1974.

SEC. 2. ELIGIBILITY OF WORKERS AFFECTED BY NORTH AMERICAN FREE TRADE AGREEMENT.

(a) ADJUSTMENT ASSISTANCE FOR WORKERS.—

(1) IN GENERAL.—Section 222 (19 U.S.C. 2272) is amended by adding at the end thereof the following new subsection:

“(c) SPECIAL RULE FOR WORKERS AFFECTED BY NORTH AMERICAN FREE TRADE AGREEMENT.—

“(1) In the case of a group of workers affected by the North American Free Trade Agreement (including workers in any agricultural firm or subdivision thereof), the Secretary shall certify such group as eligible for adjustment assistance under this chapter, if—

“(A) the Secretary makes the determination under paragraphs (1) and (2) of subsection (a), and

“(B) the Secretary determines that—

“(i) increases of imports of articles like or directly competitive with articles which are produced by such workers’ firm or appropriate subdivision thereof, contributed importantly to such total or partial

1 separation, or threat thereof, and to such
2 decline in sales,

3 “(ii) the North American Free Trade
4 Agreement contributed importantly to a
5 shift in production to Mexico of articles
6 like or directly competitive with articles
7 which are produced by such workers’ firm
8 or appropriate subdivision thereof, or

9 “(iii) the group of workers is em-
10 ployed in the manufacture of motor vehi-
11 cles in the United States.

12 “(2) For purposes of this subsection, the term
13 ‘North American Free Trade Agreement’ means an
14 agreement between the United States and Mexico
15 (without regard to whether Canada is a party to all
16 or part of such agreement) which provides for the
17 establishment of a free trade area between the two
18 nations through the reduction and elimination of
19 barriers to trade.”.

20 (2) CONFORMING AMENDMENT.—Subsection (b)
21 of section 222 (19 U.S.C. 2272(b)) is amended by
22 inserting “and subsection (c)” after “subsection
23 (a)(3)”.

24 (b) DETERMINATIONS BY SECRETARY OF LABOR.—
25 Section 223 (19 U.S.C. 2273) is amended by striking

1 “(a)” and inserting “(a)(1)”, and by adding at the end
2 of subsection (a) the following new paragraph:

3 “(2) As soon as possible after the date a notice
4 is received under section 239(a)(5), but in no event
5 later than 10 working days after that date, the Sec-
6 retary shall determine if—

7 “(A) the group of workers is described in
8 section 222(c)(1)(B)(iii), or

9 “(B)(i) there has been a shift in produc-
10 tion to Mexico of articles like or directly com-
11 petitive with articles which are produced by
12 such workers’ firm or appropriate subdivision
13 thereof, and

14 “(ii) the North American Free Trade
15 Agreement contributed importantly to such
16 shift, and

17 shall issue a certification of eligibility to apply for
18 assistance under this chapter covering workers in
19 any group with respect to which such determination
20 has been made.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on the day a bill implementing
23 the North American Free Trade Agreement is enacted
24 into law and shall terminate on the date on which such
25 Agreement is fully phased in.

1 **SEC. 3. AMENDMENTS TO TITLE II OF THE TRADE ACT OF**
2 **1974.**

3 (a) REEMPLOYMENT SERVICES.—Section 235 (19
4 U.S.C. 2295) is amended to read as follows:

5 **“SEC. 235. EMPLOYMENT SERVICES.**

6 “(a) IN GENERAL.—The Secretary shall ensure that
7 adversely affected workers covered by a certification under
8 subchapter A of this chapter are provided early and effec-
9 tive reemployment assistance. Such assistance should in-
10 clude—

11 “(1) counseling,

12 “(2) testing,

13 “(3) labor market information,

14 “(4) job development,

15 “(5) job search and placement services, and

16 “(6) other supportive services provided for
17 under any other Federal law, including services pro-
18 vided by a State pursuant to title III of the Job
19 Training Partnership Act.

20 “(b) AGREEMENTS WITH STATES.—The Secretary
21 shall, whenever appropriate, procure the services described
22 in subsection (a) by entering into agreements with States,
23 and shall make available to States such funds as may be
24 necessary to provide such services.”.

25 (b) TRAINING.—

1 (1) IN GENERAL.—Section 236(a)(2)(A) of such
 2 Act (19 U.S.C. 2296(a)(2)(A)) is amended by strik-
 3 ing “\$80,000,000” and inserting “\$120,000,000”.

4 (2) EFFECTIVE DATE.—The amendment made
 5 by paragraph (1) shall apply to the first fiscal year
 6 after the fiscal year in which the United States en-
 7 ters into the North American Free Trade Agree-
 8 ment, and to each fiscal year thereafter.

9 (c) AGREEMENTS WITH STATES.—

10 (1) Section 239(a) (19 U.S.C. 2311(a)) is
 11 amended—

12 (A) by striking “and (4)” and inserting
 13 “(4)”, and

14 (B) by striking the period at the end there-
 15 of and inserting “, and (5) will notify the Em-
 16 ployment and Training Administration of any
 17 notice received under the Worker Adjustment
 18 and Retraining Notification Act within 5 work-
 19 ing days after receiving such notice.”.

20 (2) Section 239 (19 U.S.C. 2311) is amended
 21 by adding at the end thereof the following new sub-
 22 section:

23 “(g) REPORTING.—

24 “(1) Any agreement entered into under this
 25 section shall provide for the establishment of a

1 standardized system for reporting the operation and
2 effectiveness of the State program during the pre-
3 ceding year.

4 “(2) Reports under this subsection shall be sub-
5 mitted by the States to the Secretary on an annual
6 basis.”.

7 **SEC. 4. FUNDING FOR NAFTA WORKER ADJUSTMENT AS-**
8 **SISTANCE.**

9 (a) TEMPORARY IMPOSITION OF DE MINIMUS WORK-
10 ER ADJUSTMENT FEE.—The President shall make a de-
11 termination of the amount necessary to fund worker as-
12 sistance programs under chapter 2 of title II of the Trade
13 Act of 1974 for workers described in section 222(c) of
14 such Act and shall negotiate an agreement as part of the
15 supplemental agreements to the North American Free
16 Trade Agreement for the imposition by the United States
17 of a de minimus uniform fee on all articles imported into
18 the United States from Mexico. Such fee shall—

19 (1) be used to fund programs which assist
20 United States workers experiencing dislocation as a
21 result of the implementation and operation of the
22 North American Free Trade Agreement,

23 (2) take effect on the date that is 30 days after
24 the date a bill implementing the North American
25 Free Trade Agreement is enacted into law, and

1 (3) expire on the date which is 30 days after
2 the date on which such Agreement is fully phased in.

3 (b) PART OF REVENUES TO FUND TRADE ADJUST-
4 MENT ASSISTANCE.—If the President is unable to nego-
5 tiate the imposition of a de minimus uniform fee pursuant
6 to subsection (a), the President shall determine the
7 amount necessary to fund the programs described in such
8 subsection and shall designate a portion of the tariffs im-
9 posed on articles imported from Mexico sufficient to fund
10 such programs. Such amount shall be transferred to the
11 Trade Adjustment Assistance Trust Fund (established
12 under section 286 of the Trade Act of 1974). In negotiat-
13 ing the elimination of tariffs under the North American
14 Free Trade Agreement, the President shall assure reve-
15 nues from such tariffs are adequate to provide assistance
16 to United States workers who are dislocated as a result
17 of such Agreement.

18 (c) SPECIAL SAFEGUARD PROVISIONS.—Any increase
19 in duties under any special safeguard provision in the
20 North American Free Trade Agreement, which are im-
21 posed to remedy injury to United States industries result-
22 ing from increased imports, shall be transferred to the
23 Trade Adjustment Assistance Trust Fund.

1 **SEC. 5. CONFORMING AMENDMENTS TO TRADE ADJUST-**
2 **MENT ASSISTANCE TRUST FUND.**

3 (a) IN GENERAL.—Section 286(b)(1) of the Trade
4 Act of 1974 (19 U.S.C. 2396(b)(1)) is amended by strik-
5 ing “the duty imposed by section 287” and inserting “any
6 fees imposed or duties collected pursuant to section 4 of
7 the NAFTA Worker Adjustment Assistance Act.”.

8 (b) AVAILABILITY OF AMOUNTS IN TRUST FUND;
9 AUTHORIZATION.—Subsections (d) and (e) of section 286
10 (19 U.S.C. 2396) are amended to read as follows:

11 “(d) AVAILABILITY OF AMOUNTS IN TREASURY.—

12 “(1) Amounts in the Trust Fund shall be avail-
13 able as provided in appropriation Acts for expendi-
14 tures that are required to carry out the provisions
15 of chapter 2 with respect to workers described in
16 section 222(c) (including administrative costs) and
17 for payments required under subsection (e)(2).

18 “(2)(A) If the total amount of funds expended
19 in any fiscal year to carry out chapter 2 with respect
20 to such workers (including administrative costs) ex-
21 ceeds the amount collected under section 4 of the
22 NAFTA Worker Adjustment Assistance Act during
23 the preceding 1-year period, the Secretary of Labor
24 and the Secretary of Commerce (in consultation with
25 the Secretary of the Treasury) shall make a pro rata
26 reduction in the amount of trade adjustment allow-

1 ances that are paid under sections 231 through 234
2 to such workers.

3 “(B) The reduction shall be—

4 “(i) based on estimates of the amount of
5 funds that will be necessary to carry out chap-
6 ter 2 and the amount of revenue that will be
7 raised by section 4 of the NAFTA Worker Ad-
8 justment Assistance Act during the remainder
9 of such fiscal year and the succeeding fiscal
10 year,

11 “(ii) made in a manner that ensures that
12 all workers eligible for assistance under section
13 222(c) receive some assistance under such
14 chapter 2, and

15 “(iii) made in a manner that ensures that
16 the expenditures for such assistance during the
17 remainder of the fiscal year and the succeeding
18 fiscal year do not exceed the amount of funds
19 available in the Trust Fund.

20 “(C) No reduction may be made under this
21 paragraph in the amount of trade readjustment al-
22 lowance payable under sections 231 through 234 to
23 a worker who—

24 “(i) is described in section 222(c), and

1 “(ii) received a trade readjustment allow-
2 ance under sections 231 through 234 for the
3 week preceding the first week for which a re-
4 duction is otherwise being made under this
5 paragraph.

6 “(D) If a pro rata reduction is in effect at the
7 close of a fiscal year, the Secretary of Labor and the
8 Secretary of Commerce, in consultation with the
9 Secretary of the Treasury, may adjust or modify
10 such reduction at the beginning of the fiscal year
11 succeeding such fiscal year, based on estimates of
12 the amount of funds that will be necessary to carry
13 out chapter 2 with respect to workers described in
14 section 222(c), and of the amount of revenue that
15 will be raised by section 4 of the NAFTA Worker
16 Adjustment Assistance Act during the succeeding
17 fiscal year.

18 “(E) Any pro rata reduction made under sub-
19 paragraph (A), and any pro rata reduction which is
20 adjusted or modified under subparagraph (D), shall
21 cease to apply after the week in which—

22 “(i) a 1-year period ends during which the
23 total amount of funds that would have been ex-
24 pended to carry out chapter 2 with respect to
25 workers described in section 222(c) (including

1 administrative costs), if such reduction were not
2 in effect, did not exceed an amount equal to the
3 total amount collected under section 4 of the
4 NAFTA Worker Adjustment Assistance Act
5 during such 1-year period, or

6 “(ii) the Secretary of Labor and the Sec-
7 retary of Commerce, in consultation with the
8 Secretary of the Treasury, determine that the
9 amount of funds available in the Trust Fund
10 are sufficient to carry out chapter 2 with re-
11 spect to workers described in section 222(c)
12 without such reduction.

13 “(e) AUTHORIZATION OF APPROPRIATIONS; REPAY-
14 ABLE ADVANCES.—

15 “(1)(A) There are authorized to be appro-
16 priated to the Trust Fund, as repayable advances,
17 such sums as may from time to time be necessary
18 to make the expenditures described in subsection
19 (d)(1).

20 “(B) Any advance appropriated to the Trust
21 Fund under subparagraph (A) may be paid to the
22 Trust Fund only to the extent that the total amount
23 of advances paid during the fiscal year to the Trust
24 Fund from any appropriation authorized under sub-
25 paragraph (A) that are outstanding after such ad-

1 vance is paid to the Trust Fund does not exceed the
2 lesser of—

3 “(i) the excess of—

4 “(I) the total amount of funds that
5 the Secretary of the Treasury (in consulta-
6 tion with the Secretary of Labor and the
7 Secretary of Commerce) estimates will be
8 necessary for the payments and expendi-
9 tures described in subsection (d)(1) for
10 such fiscal year, over

11 “(II) the total amount of funds that
12 the Secretary of the Treasury estimates
13 will be available in the Trust Fund during
14 the fiscal year (determined without regard
15 to any advances made under this sub-
16 section during such fiscal year), or

17 “(ii) the excess of—

18 “(I) an amount equal to the total
19 amount the Secretary of the Treasury esti-
20 mates will be collected under section 4 of
21 the NAFTA Worker Adjustment Assist-
22 ance Act during such fiscal year, over

23 “(II) the amount described in clause
24 (i)(II).

1 “(2) Advances made to the Trust Fund from
2 appropriations authorized under paragraph (1)(A)
3 shall be repaid, and interest on such advances shall
4 be paid, to the general fund of the Treasury of the
5 United States when the Secretary of the Treasury
6 determines that sufficient funds are available in the
7 Trust Fund for such purposes.

8 “(3) Interest on advances made from appropria-
9 tions authorized under paragraph (1)(A) shall be at
10 a rate determined by the Secretary of the Treasury
11 (as of the close of the calendar month preceding the
12 month in which the advance is made) to be equal to
13 the current average market yield on outstanding
14 marketable obligations of the United States with re-
15 maining periods to maturity comparable to the an-
16 ticipated period during which the advance will be
17 outstanding.”.

18 (c) EFFECTIVE DATE.—Section 1430(c) of the Omni-
19 bus Trade and Competitiveness Act of 1988 (19 U.S.C.
20 2397 note) is amended by striking “the first date” and
21 all that follows through the end period and inserting “the
22 day on which a bill implementing the North American
23 Free Trade Agreement is enacted into law.”.

1 **SEC. 6. EXTENSION OF SUNSET.**

2 Subsection (b) of section 285 (19 U.S.C. 2271, pre-
3 ceding note) is amended by striking “no duty shall be im-
4 posed under section 287, after September 30, 1993” and
5 inserting “no fee shall be imposed under section 4 of the
6 NAFTA Worker Adjustment Assistance Act after Septem-
7 ber 30, 1998”.

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