

109TH CONGRESS  
1ST SESSION

# H. R. 4156

To amend the Trade Act of 1974 to extend the trade adjustment assistance program to the service sector, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 2005

Mr. SMITH of Washington (for himself, Mr. RANGEL, Mr. CARDIN, Mr. STARK, Mr. LEVIN, Mr. McDERMOTT, Mr. McNULTY, Mr. JEFFERSON, Mrs. JONES of Ohio, Mr. EMANUEL, Mrs. TAUSCHER, Mr. KIND, Mr. DAVIS of Alabama, Mr. ACKERMAN, Mr. ALLEN, Mr. BAIRD, Ms. BALDWIN, Ms. BEAN, Mr. BERMAN, Mr. BLUMENAUER, Mr. BOREN, Mr. BOUCHER, Mr. CARDOZA, Mr. CARNAHAN, Mr. CASE, Mr. COSTELLO, Mr. CROWLEY, Ms. DELAURO, Mr. DICKS, Mr. DINGELL, Mr. ENGEL, Mr. ETHERIDGE, Ms. ESHOO, Mr. FORD, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Ms. HARMAN, Ms. HERSETH, Mr. HIGGINS, Mr. HINOJOSA, Mr. HOLDEN, Ms. HOOLEY, Mr. HOLT, Mr. INSLEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KILDEE, Ms. KILPATRICK of Michigan, Mr. LARSEN of Washington, Ms. LEE, Mr. LYNCH, Mrs. MALONEY, Mr. MATHESON, Ms. MATSUI, Mrs. MCCARTHY, Ms. MCCOLLUM of Minnesota, Mr. McINTYRE, Mr. MEEKS of New York, Mr. MICHAUD, Ms. MILLENDER-McDONALD, Mr. MILLER of North Carolina, Mr. GEORGE MILLER of California, Mr. NADLER, Mr. OWENS, Mr. PRICE of North Carolina, Mr. RYAN of Ohio, Ms. LINDA T. SÁNCHEZ of California, Mr. SANDERS, Mr. SNYDER, Ms. SOLIS, Mr. STRICKLAND, Mr. VAN HOLLEN, Mr. WEXLER, Ms. SCHWARTZ of Pennsylvania, and Mr. ROSS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, Energy and Commerce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Trade Act of 1974 to extend the trade adjust-

ment assistance program to the service sector, 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.**

4       This Act may be cited as the “Trade Adjustment As-

5 sistance Improvement Act”.

6 **SEC. 2. FINDINGS.**

7       The Congress makes the following findings:

8           (1) Furthering trade and economic engagement  
9 with other nations is a necessary, but not sufficient,  
10 component of a long term strategy to grow the  
11 United States economy and promote American com-  
12 petitiveness in the global economy.

13           (2) A comprehensive strategy for economic  
14 growth and competitiveness of the United States  
15 must—

16           (A) build a strong framework of rules for  
17 international trade;

18           (B) open substantial new markets for  
19 American goods, services, and farm products in  
20 order to level the playing field for American  
21 workers in all sectors of the economy; and

22           (C) establish a comprehensive framework  
23 to provide training and education to Americans  
24 throughout their lives so that they may take full

1 advantage of the opportunities of the global  
2 economy and adjust to changing technological  
3 demands.

4 (3) The Trade Adjustment Assistance program  
5 provided for under the Trade Act of 1974 forms a  
6 critical component of this comprehensive strategy for  
7 American competitiveness, by helping hard-working  
8 Americans transition to the global economy and ad-  
9 just to economic changes resulting from the trade  
10 policy of the United States.

11 (4) As currently structured, however, the Trade  
12 Adjustment Assistance program fails to ensure that  
13 all workers negatively affected by trade have access  
14 to the assistance they need to compete in the global  
15 economy, as service workers are excluded entirely  
16 from the program, a lack of adequate funding for  
17 training leaves many dislocated workers without  
18 timely access to the training they need to find jobs,  
19 and unnecessary and burdensome hurdles prevent el-  
20 igible workers from gaining access to benefits for  
21 which they are eligible.

22 **SEC. 3. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**  
23 **TO SERVICES SECTOR.**

24 (a) ADJUSTMENT ASSISTANCE FOR WORKERS.—Sec-  
25 tion 221(a)(1)(A) of the Trade Act of 1974 (19 U.S.C.

1 2271(a)(1)(A) is amended by striking “agricultural  
2 firm)” and inserting “firm, and workers in a service sector  
3 firm or subdivision of a service sector firm or public agen-  
4 cy)”.

5 (b) GROUP ELIGIBILITY REQUIREMENTS.—Section  
6 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amend-  
7 ed—

8 (1) in subsection (a)—

9 (A) in the matter preceding paragraph (1),  
10 by striking “agricultural firm)” and inserting  
11 “agricultural firm, and workers in a service sec-  
12 tor firm or subdivision of a service sector firm  
13 or public agency”;

14 (B) in paragraph (1), by inserting “or  
15 public agency” after “of the firm”; and

16 (C) in paragraph (2)—

17 (i) in subparagraph (A)(ii), by strik-  
18 ing “like or directly competitive with arti-  
19 cles produced” and inserting “or services  
20 like or directly competitive with articles  
21 produced or services provided”; and

22 (ii) by striking subparagraph (B) and  
23 inserting the following:

24 “(B)(i) there has been a shift, by such  
25 workers’ firm, subdivision, or public agency to

1 a foreign country, of production of articles, or  
2 in provision of services, like or directly competi-  
3 tive with articles which are produced, or serv-  
4 ices which are provided, by such firm, subdivi-  
5 sion, or public agency; or

6 “(ii) such workers’ firm, subdivision, or  
7 public agency has obtained or is likely to obtain  
8 services described in clause (i) from a foreign  
9 country.”;

10 (2) in subsection (b)—

11 (A) in the matter preceding paragraph (1),  
12 by striking “agricultural firm)” and inserting  
13 “agricultural firm, and workers in a service sec-  
14 tor firm or subdivision of a service sector firm  
15 or public agency)”;

16 (B) in paragraph (2), by inserting “or  
17 service” after “related to the article”; and

18 (C) in paragraph (3)(A), by inserting “or  
19 services” after “component parts”;

20 (3) in subsection (c)—

21 (A) in paragraph (3)—

22 (i) by inserting “or services” after  
23 “value-added production processes”;

1 (ii) by striking “or finishing” and in-  
2 serting “, finishing, testing, packaging, or  
3 maintenance or transportation services”;

4 (iii) by inserting “or services” after  
5 “for articles”;

6 (iv) by inserting “(or subdivision)”  
7 after “such other firm”; and

8 (v) by striking “, if the certification”  
9 and all that follows through “Mexico”; and  
10 (B) in paragraph (4)—

11 (i) by striking “for articles” and in-  
12 serting “, or services, for articles or serv-  
13 ices”; and

14 (ii) by inserting “(or subdivision)”  
15 after “such other firm”; and

16 (4) by adding at the end the following new sub-  
17 sections:

18 “(d) BASIS FOR SECRETARY’S DETERMINATIONS.—

19 “(1) INCREASED IMPORTS.—For purposes of  
20 subsection (a)(2)(A)(ii), the Secretary may deter-  
21 mine that increased imports of like or directly com-  
22 petitive articles or services exist if the workers’ firm  
23 or subdivision, or customers of the workers’ firm or  
24 subdivision accounting for not less than 20 percent  
25 of the sales of the workers’ firm or subdivision, cer-

1       tify to the Secretary that they are obtaining such ar-  
2       ticles or services from a foreign country.

3               “(2) OBTAINING SERVICES ABROAD.—For pur-  
4       poses of subsection (a)(2)(B)(ii), the Secretary may  
5       determine that the workers’ firm, subdivision, or  
6       public agency has obtained or is likely to obtain like  
7       or directly competitive services from a foreign coun-  
8       try based on a certification thereof from the work-  
9       ers’ firm, subdivision, or public agency.

10              “(3) AUTHORITY OF THE SECRETARY.—The  
11       Secretary may obtain the certifications under para-  
12       graphs (1) and (2) through questionnaires or such  
13       other manner as the Secretary determines is appro-  
14       priate.

15              “(e) ADDITIONAL INFORMATION.—In determining  
16       whether to certify a group of workers under subsection  
17       (a) or (b) pursuant to a petition filed under section 221,  
18       the Secretary should contact officials of firms and unions,  
19       employees, and any other persons, government agencies  
20       (whether Federal or State), or organizations, both public  
21       and private, as appropriate, in order to confirm informa-  
22       tion furnished in the petition and to elicit other relevant  
23       information.”.

24              (c) TRAINING.—

1           (1) FUNDING.—Section 236(a)(2)(A) of the  
2 Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is  
3 amended by striking “for any fiscal year shall not  
4 exceed \$220,000,000.” and inserting “shall not ex-  
5 ceed—

6           “(i) \$440,000,000 in each of fiscal years 2006  
7 and 2007;

8           “(ii) \$484,000,000 in fiscal year 2008;

9           “(iii) \$528,000,000 in fiscal year 2009;

10          “(iv) \$572,000,000 in fiscal year 2010;

11          “(v) \$616,000,000 in fiscal year 2011; and

12          “(vi) \$660,000,000 in fiscal year 2012.”.

13           (2) REPORT ON ALLOCATION OF TRAINING  
14 FUNDS.—The Comptroller General shall, not later  
15 than 6 months after the date of the enactment of  
16 this Act, evaluate and report to the Congress on the  
17 effectiveness of the mechanism for allocating train-  
18 ing funds between the States and among individuals  
19 under section 236(a)(2) of the Trade Act of 1974.  
20 The report shall contain—

21           (A) an evaluation of the adequacy of total  
22 funding for training of adversely affected work-  
23 ers eligible for trade adjustment assistance  
24 under chapter 2 of title II of the Trade Act of  
25 1974, and the extent to which the allocation



1 mechanism provides States and individuals with  
2 sufficient training funds to meet the needs of  
3 all such eligible workers; and

4 (B) recommendations for improving the al-  
5 location of training funds to States and individ-  
6 uals under section 236(a)(2) of the Trade Act  
7 of 1974.

8 (d) DEFINITIONS.—Section 247 of the Trade Act of  
9 1974 (19 U.S.C. 2319) is amended—

10 (1) in paragraph (1)—

11 (A) by inserting “or public agency” after  
12 “of a firm”; and

13 (B) by inserting “or public agency” after  
14 “or subdivision”;

15 (2) in paragraph (2)(B), by inserting “or public  
16 agency” after “the firm”;

17 (3) by redesignating paragraphs (8) through  
18 (17) as paragraphs (9) through (18), respectively;  
19 and

20 (4) by inserting after paragraph (6) the fol-  
21 lowing:

22 “(7) The term ‘public agency’ means a depart-  
23 ment or agency of a State or local government or of  
24 the Federal Government.

1           “(8) The term ‘service sector firm’ means an  
2           entity engaged in the business of providing serv-  
3           ices.”.

4           (e) TECHNICAL AMENDMENT.—Section 245(a) of the  
5 Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by  
6 striking “, other than subchapter D”.

7 **SEC. 4. TRAINING.**

8           (a) BASIS FOR WAIVER.—Section 231(c)(1) of the  
9 Trade Act of 1974 (19 U.S.C. 2291(c)(1)) is amended by  
10 adding at the end the following:

11                   “(G) ADVANCED DEGREE OR CERTIFI-  
12                   CATION.—The worker possesses a postgraduate  
13                   degree from an institution of higher education  
14                   (as defined in section 101(a) of the Higher  
15                   Education Act of 1965) or equivalent foreign  
16                   institution, or has received an equivalent post-  
17                   graduate certification in a specialized field, and  
18                   there is a reasonable expectation of employment  
19                   at equivalent wages in the foreseeable future.”.

20           (b) TRAINING PROGRAMS.—Section 236(a)(5) of the  
21 Trade Act of 1974 (19 U.S.C. 2296(a)(5)) is amended—

22                   (1) by striking “and” at the end of subpara-  
23                   graph (E)(ii);

24                   (2) by striking the period at the end of sub-  
25                   paragraph (F) and inserting “, and”; and

1 (3) by adding at the end the following:

2 “(G) continuation of enrollment at an institu-  
 3 tion of higher education (as defined in section  
 4 101(a) of the Higher Education Act of 1965) for the  
 5 purpose of obtaining a degree, for a period of no  
 6 longer than 104 weeks, if prior to total or partial  
 7 separation from adversely affected employment, the  
 8 worker was enrolled in such program, and there is  
 9 a reasonable expectation of employment at equiva-  
 10 lent wages upon completion of the program.”.

11 **SEC. 5. ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE.**

12 Section 246 of the Trade Act of 1974 (19 U.S.C.  
 13 2318) is amended—

14 (1) by striking subsection (b); and

15 (2) in subsection (a)—

16 (A) by striking “(a) IN GENERAL.—”;

17 (B) in paragraph (1)—

18 (i) by designating that paragraph as  
 19 subsection (a) and moving the text 2 ems  
 20 to the left; and

21 (ii) by striking “paragraph (2)” and  
 22 inserting “subsection (b)”; and

23 (C) by striking paragraphs (2) through (5)

24 and inserting the following:

25 “(b) BENEFITS.—

1           “(1) PAYMENTS.—A State shall use the funds  
2           provided to the State under section 241 to pay, for  
3           a period not to exceed 2 years, to a worker described  
4           in subsection (c)(2), 50 percent of the difference be-  
5           tween—

6                   “(A) the wages received by the worker  
7                   from reemployment; and

8                   “(B) the wages received by the worker at  
9                   the time of separation.

10           “(2) HEALTH INSURANCE.—A worker described  
11           in subsection (c)(2) participating in the program es-  
12           tablished under subsection (a) is eligible to receive,  
13           for a period not to exceed 2 years, a credit for  
14           health insurance costs under section 35 of the Inter-  
15           nal Revenue Code of 1986.

16           “(c) ELIGIBILITY.—A group of workers certified  
17           under subchapter A as eligible for adjustment assistance  
18           under subchapter A is eligible for the alternative trade ad-  
19           justment assistance program under this section. A worker  
20           in such a group may elect to receive benefits under the  
21           alternative trade adjustment assistance program if the  
22           worker—

23                   “(1) obtains reemployment not more than 26  
24                   weeks after the date of separation from the ad-  
25                   versely affected employment;

1 “(2) is at least 50 years of age;

2 “(3) earns not more than \$50,000 each year in  
3 wages from reemployment;

4 “(4) is employed on a full-time basis as defined  
5 by State law in the State in which the worker is em-  
6 ployed; and

7 “(5) does not return to the employment from  
8 which the worker was separated.

9 “(d) **TOTAL AMOUNT OF PAYMENTS.**—The payments  
10 described in subsection (b)(1) made to a worker may not  
11 exceed \$10,000 per worker during the 2-year eligibility pe-  
12 riod.

13 “(e) **LIMITATION ON OTHER BENEFITS.**—Except as  
14 provided in section 238(a)(2)(B), if a worker is receiving  
15 payments pursuant to the program established under sub-  
16 section (a), the worker shall not be eligible to receive any  
17 other benefits under this title.”

18 **SEC. 6. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS AND**

19 **INDUSTRIES.**

20 (a) **FIRMS.**—

21 (1) **ASSISTANCE.**—Section 251 of the Trade  
22 Act of 1974 (19 U.S.C. 2341) is amended—

23 (A) in subsection (a), by inserting “or  
24 service sector firm” after “(including any agri-  
25 cultural firm”;

1 (B) in subsection (c)(1)—

2 (i) in the matter preceding subpara-  
3 graph (A), by inserting “or service sector  
4 firm” after “any agricultural firm”;

5 (ii) in subparagraph (B)(ii), by insert-  
6 ing “or service” after “of an article”; and

7 (iii) in subparagraph (C), by striking  
8 “articles like or directly competitive with  
9 articles which are produced” and inserting  
10 “articles or services like or directly com-  
11 petitive with articles or services which are  
12 produced or provided”; and

13 (C) by adding at the end the following:

14 “(e) BASIS FOR SECRETARY DETERMINATION.—

15 “(1) INCREASED IMPORTS.—For purposes of  
16 subsection (c)(1)(C), the Secretary may determine  
17 that increases of imports of like or directly competi-  
18 tive articles or services exist if customers accounting  
19 for not less than 20 percent of the sales of the work-  
20 ers’ firm certify to the Secretary that they are ob-  
21 taining such articles or services from a foreign coun-  
22 try.

23 “(2) AUTHORITY OF THE SECRETARY.—The  
24 Secretary may obtain the certifications under para-  
25 graph (1) through questionnaires or such other man-

1 ner as the Secretary determines is appropriate. The  
2 subpoena power described in section 249 shall be ex-  
3 tended to the Secretary for purposes of carrying out  
4 this subsection.”.

5 (2) AUTHORIZATION OF APPROPRIATIONS.—  
6 Section 256(b) of the Trade Act of 1974 (19 U.S.C.  
7 2346(b)) is amended—

8 (A) by striking “\$16,000,000” and insert-  
9 ing “\$32,000,000”; and

10 (B) by adding at the end the following: “If  
11 the amount appropriated pursuant to this sub-  
12 section in any fiscal year is less than the  
13 amount authorized to be appropriated by this  
14 subsection, the Secretary shall consult with the  
15 Committee on Ways and Means and the Com-  
16 mittee on Appropriations of the House of Rep-  
17 resentatives, the Committee on Finance and the  
18 Committee on Appropriations of the Senate,  
19 and any other committee of appropriate juris-  
20 diction in Congress on allocating the amount so  
21 appropriated.”.

22 (3) DEFINITION.—Section 261 of the Trade  
23 Act of 1974 (19 U.S.C. 2351) is amended—

24 (A) by striking “For purposes of” and in-  
25 serting “(a) FIRM.—For purposes of”; and

1 (B) by adding at the end the following:

2 “(b) SERVICE SECTOR FIRM.—For purposes of this  
3 chapter, the term ‘service sector firm’ means a firm en-  
4 gaged in the business of providing services.”.

5 (b) INDUSTRIES.—Section 265(a) of the Trade Act  
6 of 1974 (19 U.S.C. 2355(a)) is amended by inserting “or  
7 service” after “new product”.

8 (c) CLERICAL AMENDMENT.—(1) Section 249 of the  
9 Trade Act of 1974 (19 U.S.C. 2321) is amended—

10 (A) by amending the section heading to read as  
11 follows:

12 **“SEC. 249. SUBPOENA AUTHORITY.”**; and

13 (B) by striking “subpena” each place it appears  
14 and inserting “subpoena”.

15 (2) The item relating to section 249 in the table of  
16 contents of the Trade Act of 1974 is amended to read  
17 as follows:

“249. Subpoena authority.”.

18 **SEC. 7. MONITORING AND REPORTING.**

19 Section 282 of the Trade Act of 1974 (19 U.S.C.  
20 2393) is amended—

21 (1) in this first sentence—

22 (A) by striking “The Secretary” and in-  
23 serting “(a) MONITORING PROGRAMS.—The  
24 Secretary”;



1 (B) by inserting “and services” after “im-  
2 ports of articles”;

3 (C) by inserting “and domestic provision of  
4 services” after “domestic production”;

5 (D) by inserting “or providing services”  
6 after “producing articles”; and

7 (E) by inserting “, or provision of serv-  
8 ices,” after “changes in production”; and

9 (2) by adding at the end the following:

10 “(b) COLLECTION OF DATA AND REPORTS.—

11 “(1) SECRETARY OF LABOR.—(A) Not later  
12 than 3 months after the date of the enactment of  
13 the Trade Adjustment Assistance Improvement Act,  
14 the Secretary of Labor shall implement a system to  
15 collect data on all adversely affected workers who  
16 apply for or receive adjustment assistance under this  
17 chapter, including—

18 “(i) the following information, classified by  
19 State, by industry, and by total number:

20 “(I) the number of petitions filed, cer-  
21 tified, and denied;

22 “(II) the number of workers covered  
23 by the petitions filed, certified, and denied;

24 “(III) a breakdown of the number of  
25 certified petitions by the cause of disloca-

1           tion (that is, increase in imports, shift in  
2           production, and other causes for eligibility  
3           for adjustment assistance under this chap-  
4           ter);

5           “(IV) the number of workers receiving  
6           adjustment assistance under this chapter;

7           “(V) reemployment rates for workers  
8           receiving adjustment assistance under this  
9           chapter; and

10          “(VI) wage replacement rates for  
11          workers receiving adjustment assistance  
12          under this chapter; and

13          “(ii) the following information, classified  
14          by State and by total number:

15               “(I) the presence of a collective bar-  
16               gaining agreement among workers covered  
17               by petitions filed, certified, and denied;

18               “(II) the type of adjustment assist-  
19               ance received under this chapter (that is,  
20               training or education assistance, alter-  
21               native trade adjustment assistance, cash  
22               benefits, health insurance tax credits, relo-  
23               cation allowances, and job search allow-  
24               ances), the number of workers receiving  
25               each type of assistance, the average dollar

1 amount of benefits received per worker for  
2 each type of assistance, and the average  
3 duration of time workers receive each type  
4 of assistance;

5 “(III) the fields of training or edu-  
6 cation in which workers receiving training  
7 or education benefits under this chapter  
8 are enrolled, and the number of workers  
9 participating in each field;

10 “(IV) the number of workers com-  
11 pleting a course of training or education;

12 “(V) the number of workers failing to  
13 complete a course of training or education,  
14 classified by the cause for early termi-  
15 nation; and

16 “(VI) the number of training waivers  
17 granted.

18 “(B) The Secretary shall make the data col-  
19 lected under subparagraph (A) publicly available on  
20 the website of the Department of Labor, in a format  
21 that allows searching of the data by category, and  
22 shall update the data at least every 6 months.

23 “(C) Not later than 16 months after such date  
24 of enactment, the Secretary of Labor shall report to  
25 the Committee on Ways and Means of the House of

1 Representatives, the Committee on Finance of the  
2 Senate, and any other committee of appropriate ju-  
3 risdiction, on whether changes to eligibility require-  
4 ments, benefits, or training funding should be made  
5 based on the data collected under subparagraph (A).

6 “(2) SECRETARY OF COMMERCE.—Not later  
7 than 6 months after such date of enactment, the  
8 Secretary of Commerce shall, in consultation with  
9 the Secretary of Labor, conduct a study and report  
10 to the Congress on ways to improve the timeliness  
11 and coverage of data on trade in services, including  
12 methods to identify increased imports due to the re-  
13 location of United States firms to foreign countries,  
14 and increased imports due to United States firms  
15 obtaining services from firms in foreign countries.”.

16 **SEC. 8. EXTENSION OF TAA PROGRAM.**

17 (a) FOR WORKERS.—Section 245(a) of the Trade Act  
18 of 1974 (19 U.S.C. 2317(a)) is amended by striking  
19 “2007” and inserting “2012”.

20 (b) FOR FIRMS.—Section 256(b) of the Trade Act  
21 of 1974 (19 U.S.C. 2346(b)) is amended by striking  
22 “2007” and inserting “2012”.

23 (c) TERMINATION.—Section 285 of the Trade Act of  
24 1974 (19 U.S.C. 2271 note) is amended by striking  
25 “2007” each place it appears and inserting “2012”.

1 **SEC. 9. CALCULATION OF SEPARATION TOLLED DURING**  
2 **LITIGATION.**

3 Section 233 of the Trade Act of 1974 (19 U.S.C.  
4 2293) is amended by adding at the end the following:

5 “(h) SPECIAL RULE FOR CALCULATING SEPARA-  
6 TION.—Notwithstanding any other provision of this chap-  
7 ter, any period during which an appeal in an administra-  
8 tive or judicial proceeding is pending with respect to the  
9 denial by the Secretary of a petition under section 223  
10 shall not be counted for purposes of calculating the period  
11 of separation under subsection (a)(2), and an adversely  
12 affected worker that would otherwise be entitled to a trade  
13 adjustment allowance shall not be denied such allowance  
14 because of such appeal.”.

15 **SEC. 10. OTHER METHODS OF REQUESTING INVESTIGA-**  
16 **TION.**

17 Section 221 of the Trade Act of 1974 (19 U.S.C.  
18 2271) is amended—

19 (1) by adding at the end the following:

20 “(c) OTHER METHODS OF INITIATING A PETITION.—

21 “(1) IN GENERAL.—Upon the request of the  
22 President or the United States Trade Representa-  
23 tive, or the resolution of either the Committee on  
24 Ways and Means of the House of Representatives or  
25 the Committee on Finance of the Senate, the Sec-  
26 retary shall promptly initiate an investigation under

1 this chapter to determine the eligibility for adjust-  
2 ment assistance of—

3 “(A) a group of workers (which may in-  
4 clude workers from more than one facility or  
5 employer); or

6 “(B) all workers in an occupation as that  
7 occupation is defined in the Bureau of Labor  
8 Statistics Standard Occupational Classification  
9 System.

10 “(2) PUBLICATION.—Upon making a deter-  
11 mination of the eligibility for adjustment assistance  
12 under this chapter of a group of workers or all work-  
13 ers in an occupation, the Secretary shall promptly  
14 publish a summary of the determination, together  
15 with a summary of the basis for the determination,  
16 in the Federal Register and on the website of the  
17 Department of Labor.”;

18 (2) in subsection (a)(2), by inserting “or a re-  
19 quest or resolution filed under subsection (c),” after  
20 “paragraph (1),”; and

21 (3) in subsection (a)(3), by inserting “, request,  
22 or resolution” after “petition” each place it appears.

23 **SEC. 11. NOTIFICATION.**

24 Section 224 of the Trade Act of 1974 (19 U.S.C.  
25 2274) is amended to read as follows:

1 **“SEC. 224. NOTIFICATIONS REGARDING AFFIRMATIVE DE-**  
2 **TERMINATIONS AND SAFEGUARDS.**

3 “(a) NOTIFICATIONS REGARDING CHAPTER 1 INVES-  
4 TIGATIONS AND DETERMINATIONS.—Whenever the Inter-  
5 national Trade Commission makes a report under section  
6 202(f) containing an affirmative finding regarding serious  
7 injury, or the threat thereof, to a domestic industry, the  
8 Commission shall immediately—

9 “(1) notify the Secretary of Labor of that find-  
10 ing; and

11 “(2) in the case of a finding with respect to an  
12 agricultural commodity, as defined in section 291,  
13 notify the Secretary of Agriculture of that finding.

14 “(b) NOTIFICATION REGARDING BILATERAL SAFE-  
15 GUARDS.—The International Trade Commission shall im-  
16 mediately notify the Secretary of Labor and, in an inves-  
17 tigation with respect to an agricultural commodity, the  
18 Secretary of Agriculture, whenever the Commission makes  
19 an affirmative determination pursuant to one of the fol-  
20 lowing provisions:

21 “(1) Section 421 of this Act (19 U.S.C. 2451).

22 “(2) Section 312 of the United States-Australia  
23 Free Trade Agreement Implementation Act (19  
24 U.S.C. 3805 note).

1           “(3) Section 312 of the United States-Morocco  
2 Free Trade Agreement Implementation Act (19  
3 U.S.C. 3805 note).

4           “(4) Section 312 of the United States-Singa-  
5 pore Free Trade Agreement Implementation Act (19  
6 U.S.C. 3805 note).

7           “(5) Section 312 of the United States-Chile  
8 Free Trade Agreement Implementation Act (19  
9 U.S.C. 3805 note).

10           “(6) Section 302(b) of the North American  
11 Free Trade Agreement Implementation Act (19  
12 U.S.C. 3352(b)).

13           “(7) Section 212 of the United States-Jordan  
14 Free Trade Agreement Implementation Act (19  
15 U.S.C. 2112 note).

16           “(8) Section 312 of the Dominican Republic-  
17 Central America-United States Free Trade Agree-  
18 ment Implementation Act (19 U.S.C. 3805 note).

19           “(c) AGRICULTURAL SAFEGUARDS.—The Commis-  
20 sioner of Customs shall immediately notify the Secretary  
21 of Labor and, in the case of an agricultural commodity,  
22 the Secretary of Agriculture, whenever the Commissioner  
23 of Customs assesses additional duties on a product pursu-  
24 ant to one of the following provisions:



1           “(1) Section 202 of the United States-Australia  
2       Free Trade Agreement Implementation Act (19  
3       U.S.C. 3805 note).

4           “(2) Section 202 of the United States-Morocco  
5       Free Trade Agreement Implementation Act (19  
6       U.S.C. 3805 note).

7           “(3) Section 201(c) of the United States-Chile  
8       Free Trade Agreement Implementation Act (19  
9       U.S.C. 3805 note).

10          “(4) Section 309 of the North American Free  
11       Trade Agreement Implementation Act (19 U.S.C.  
12       3358).

13          “(5) Section 301(a) of the United States-Can-  
14       ada Free Trade Agreement Implementation Act of  
15       1988 (19 U.S.C. 2112 note).

16          “(6) Section 404 of the Trade and Tariff Act  
17       of 1984 (19 U.S.C. 2112 note).

18          “(7) Section 202 of the Dominican Republic-  
19       Central America-United States Free Trade Agree-  
20       ment Implementation Act (19 U.S.C. 3805 note).

21       “(d) TEXTILE SAFEGUARDS.—The President shall  
22       immediately notify the Secretary of Labor whenever the  
23       President makes a positive determination pursuant to one  
24       of the following provisions:

1           “(1) Section 322 of the United States-Australia  
2       Free Trade Agreement Implementation Act (19  
3       U.S.C. 3805 note).

4           “(2) Section 322 of the United States-Morocco  
5       Free Trade Agreement Implementation Act (19  
6       U.S.C. 3805 note).

7           “(3) Section 322 of the United States-Chile  
8       Free Trade Agreement Implementation Act (19  
9       U.S.C. 3805 note).

10          “(4) Section 322 of the United States-Singapore  
11       Free Trade Agreement Implementation Act (19  
12       U.S.C. 3805 note).

13          “(5) Section 322 of the Dominican Republic-  
14       Central America-United States Free Trade Agree-  
15       ment Implementation Act (19 U.S.C. 3805 note).

16       “(e) ANTIDUMPING AND COUNTERVAILING DU-  
17   TIES.—Whenever the International Trade Commission  
18   makes a final affirmative determination pursuant to sec-  
19   tion 705 or section 735 of the Tariff Act of 1930 (19  
20   U.S.C. 1671d or 1673d), the Commission shall imme-  
21   diately notify the Secretary of Labor and, in the case of  
22   an agricultural commodity, the Secretary of Agriculture,  
23   of that determination.”.

1 **SEC. 12. INDUSTRY-WIDE DETERMINATION.**

2 Section 223 of the Trade Act of 1974 (19 U.S.C.  
3 2273) is amended by adding at the end the following:

4 “(e) DETERMINATION REGARDING INDUSTRY-WIDE  
5 CERTIFICATION.—

6 “(1) DETERMINATION.—If the Secretary re-  
7 ceives a request or a resolution under section 221(c)  
8 on behalf of workers in a domestic industry or occu-  
9 pation (described in section 221(c)(2)) or certifies 3  
10 or more petitions under section 221(a) within a 180-  
11 day period on behalf of groups of workers in a do-  
12 mestic industry or occupation, the Secretary shall  
13 make an determination, under subsection (a) of this  
14 section, of the eligibility of all adversely affected  
15 workers in that domestic industry or occupation.

16 “(2) PUBLICATION.—Upon making a deter-  
17 mination of the eligibility for adjustment assistance  
18 under this chapter of a group of workers or all work-  
19 ers in an industry or occupation under paragraph  
20 (1), the Secretary shall promptly publish a summary  
21 of the determination, together with a summary of  
22 the basis for the determination, in the Federal Reg-  
23 ister and on the website of the Department of  
24 Labor.”.

1 **SEC. 13. COORDINATION WITH OTHER TRADE PROVISIONS.**

2 (a) INDUSTRY-WIDE CERTIFICATION BASED ON  
3 GLOBAL SAFEGUARDS.—

4 (1) RECOMMENDATIONS BY ITC.—

5 (A) Section 202(e)(2)(D) of the Trade Act  
6 of 1974 (19 U.S.C. 2252(e)(2)(D)) is amended  
7 by striking “, including the provision of trade  
8 adjustment assistance under chapter 2”.

9 (B) Section 203(a)(3)(D) of the Trade Act  
10 of 1974 (19 U.S.C. 2253(a)(3)(D)) is amended  
11 by striking “, including the provision of trade  
12 adjustment assistance under chapter 2”.

13 (2) ASSISTANCE FOR WORKERS.—Paragraph  
14 (1)(A) of section 203(a) of the Trade Act of 1974  
15 (19 U.S.C. 2253(a)(1)(A)) is amended to read as  
16 follows:

17 “(1)(A) After receiving a report under section  
18 202(f) containing an affirmative finding regarding  
19 serious injury, or the threat thereof, to a domestic  
20 industry—

21 “(i) the President shall take all appro-  
22 priate and feasible action within his power; and

23 “(ii)(I) the Secretary of Labor shall certify  
24 as eligible to apply for adjustment assistance  
25 under section 223 workers employed in the do-  
26 mestic industry defined by the Commission if

1 such workers become totally or partially sepa-  
2 rated, or are threatened to become totally or  
3 partially separated, not more than 1 year be-  
4 fore, or not more than 1 year after, the date on  
5 which the Commission made its report to the  
6 President under section 202(f); and

7 “(II) in the case of a finding with respect  
8 to an agricultural commodity as defined in sec-  
9 tion 291, the Secretary of Agriculture shall cer-  
10 tify as eligible to apply for adjustment assist-  
11 ance under section 293 agricultural commodity  
12 producers employed in the domestic production  
13 of the agricultural commodity that is the sub-  
14 ject of the finding during the most recent mar-  
15 keting year.”.

16 (b) INDUSTRY-WIDE CERTIFICATION BASED ON BI-  
17 LATERAL SAFEGUARD PROVISIONS OR ANTIDUMPING OR  
18 COUNTERVAILING DUTY ORDERS.—

19 (1) IN GENERAL.—Subchapter A of chapter 1  
20 of title II of the Trade Act of 1974 (19 U.S.C. 2271  
21 et seq.) is amended by inserting after section 224  
22 the following new section:

1 **“SEC. 224A. INDUSTRY-WIDE CERTIFICATION WHERE BILAT-**  
2 **ERAL SAFEGUARD PROVISIONS INVOKED OR**  
3 **ANTIDUMPING OR COUNTERVAILING DUTIES**  
4 **IMPOSED.**

5 “(a) IN GENERAL.—Not later than 10 days after the  
6 date on which the Secretary of Labor receives a notifica-  
7 tion with respect to the imposition of a trade remedy, safe-  
8 guard determination, or antidumping or countervailing  
9 duty determination under section 224 (a), (b), (c), (d),  
10 or (e), the Secretary shall certify as eligible for trade ad-  
11 justment assistance under section 223(a) workers em-  
12 ployed in the domestic production of the article that is  
13 the subject of the trade remedy, safeguard determination,  
14 or antidumping or countervailing duty determination, as  
15 the case may be, if such workers become totally or par-  
16 tially separated, or are threatened to become totally or  
17 partially separated, not more than 1 year before, or not  
18 more than 1 year after, the applicable date.

19 “(b) APPLICABLE DATE.—In this section, the term  
20 ‘applicable date’ means—

21 “(1) the date on which the affirmative or posi-  
22 tive determination or finding is made, in the case of  
23 a notification under section 224 (a), (b), or (d);

24 “(2) the date on which a final determination is  
25 made, in the case of a notification under section  
26 224(e); or

1           “(3) the date on which additional duties are as-  
2           sessed, in the case of a notification under section  
3           224(c).”.

4           (2) AGRICULTURAL COMMODITY PRODUCERS.—  
5           Chapter 6 of title II of the Trade Act of 1974 (19  
6           U.S.C. 2401 et seq.) is amended by striking section  
7           294 and inserting the following:

8           **“SEC. 294. INDUSTRY-WIDE CERTIFICATION FOR AGRICUL-**  
9                           **TURAL COMMODITY PRODUCERS WHERE**  
10                          **SAFEGUARD PROVISIONS INVOKED OR ANTI-**  
11                          **DUMPING OR COUNTERVAILING DUTIES IM-**  
12                          **POSED.**

13           “Not later than 10 days after the date on which the  
14           Secretary of Agriculture receives a notification with re-  
15           spect to the imposition of a trade remedy, safeguard deter-  
16           mination, or antidumping or countervailing duty deter-  
17           mination under section 224 (b), (c), or (e), the Secretary  
18           shall certify as eligible for trade adjustment assistance  
19           under section 293(a) agricultural commodity producers  
20           employed in the domestic production of the agricultural  
21           commodity that is the subject of the trade remedy, safe-  
22           guard determination, or antidumping or countervailing  
23           duty determination, as the case may be, during the most  
24           recent marketing year.”.

1 (c) CONFORMING AMENDMENTS.—The table of con-  
 2 tents for title II of the Trade Act of 1974 is amended—

3 (1) by striking the item relating to section 224  
 4 and inserting the following:

“224. Notifications regarding affirmative determinations and safeguards.”;

5 (2) by inserting after the item relating to sec-  
 6 tion 224 the following:

“224A. Industry-wide certification based on bilateral safeguard provisions in-  
 voked or antidumping or countervailing duties imposed.”

7 ; and

8 (3) by striking the item relating to section 294  
 9 and inserting the following:

“294. Industry-wide certification for agricultural commodity producers where  
 safeguard provisions invoked or antidumping or countervailing  
 duties imposed.”.

10 **SEC. 14. PUBLIC AVAILABILITY OF INFORMATION.**

11 Subsections (c) and (d) of section 223 of the Trade  
 12 Act of 1974 (19 U.S.C. 2273(c) and (d)) are each amend-  
 13 ed by inserting “and on the website of the Department  
 14 of Labor,” after “Federal Register”.

15 **SEC. 15. TRADE ADJUSTMENT ASSISTANCE ADVISOR.**

16 There is established in the Department of Labor an  
 17 office to be known as the Office of the Trade Adjustment  
 18 Assistance Advisor. The Office shall be headed by a Direc-  
 19 tor appointed by the Secretary of Labor, who shall be re-  
 20 sponsible for the operation of a telephone hotline that  
 21 workers, employers, and other entities may call to obtain  
 22 information regarding eligibility criteria, procedural re-



1 requirements, and benefits available under chapter 2 of title  
2 II of the Trade Act of 1974. The Director shall also co-  
3 ordinate with State agencies responsible for administering  
4 benefits under such chapter in order to ensure that the  
5 States are complying with their obligations under such  
6 chapter.

7 **SEC. 16. AGREEMENTS WITH STATES.**

8 Section 239(a) of the Trade Act of 1974 (19 U.S.C.  
9 2311(a)) is amended by striking “and (4)” and inserting  
10 “(4) will use personnel standards on a merit basis in the  
11 administration of services and payment of benefits to ad-  
12 versely affected workers under this chapter, and (5)”.

13 **SEC. 17. GAO STUDY.**

14 The Comptroller General shall, not later than 6  
15 months after the date of the enactment of this Act, con-  
16 duct, and submit to the Congress a report on, a study  
17 evaluating the extent to which—

18 (1) States are meeting each of the obligations  
19 set forth in sections 239(f) and 221(a)(2)(A) of the  
20 Trade Act of 1974; and

21 (2) the Secretary of Labor is meeting each of  
22 the obligations set forth in section 225 of the Trade  
23 Act of 1974.

24 If the Comptroller General finds that any of the obliga-  
25 tions referred to in paragraphs (1) and (2) are not being

1 met, the Comptroller General shall include in the report  
2 an analysis of the reasons for such noncompliance.

3 **SEC. 18. REGULATIONS.**

4 The Secretary of the Treasury, the Secretaries of Ag-  
5 riculture and Labor, and the International Trade Commis-  
6 sion may promulgate such regulations as may be necessary  
7 to carry out the amendments made by sections 3 through  
8 16.

9 **SEC. 19. MODIFICATIONS RELATING TO CREDIT FOR**  
10 **HEALTH INSURANCE COSTS OF CERTAIN TAA**  
11 **AND PBGC PENSION RECIPIENTS.**

12 (a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

13 (1) IN GENERAL.—Subsection (a) of section 35  
14 of the Internal Revenue Code of 1986 is amended by  
15 striking “65 percent” and inserting “80 percent  
16 (100 percent in the case of the taxpayer’s first eligi-  
17 ble coverage month)”.

18 (2) CONFORMING AMENDMENT.—Subsection (b)  
19 of section 7527 of such Code is amended by striking  
20 “65 percent” and inserting “80 percent (100 per-  
21 cent in the case of the taxpayer’s first eligible cov-  
22 erage month)”.

23 (b) PRESUMPTIVE STATUS AS A TAA RECIPIENT.—

1           (1) IN GENERAL.—Subsection (c) of section 35  
2 of such Code is amended by adding at the end the  
3 following new paragraph:

4           “(5) PRESUMPTIVE STATUS AS A TAA RECIPI-  
5 ENT.—

6           “(A) IN GENERAL.—The term ‘eligible in-  
7 dividual’ shall include any individual who is cov-  
8 ered by a petition filed with the Secretary of  
9 Labor under section 221 of the Trade Act of  
10 1974. This paragraph shall apply to any indi-  
11 vidual only with respect to months which—

12                   “(i) end after the date that such peti-  
13 tion is so filed, and

14                   “(ii) begin before the earlier of—

15                           “(I) the end of the 90-day period  
16 beginning on the date that such peti-  
17 tion is so filed,

18                           “(II) the date that the Secretary  
19 of Labor makes a final determination  
20 not to issue a certification with re-  
21 spect to such petition, or

22                           “(III) the beginning of the first  
23 month that such individual is an eligi-  
24 ble individual without regard to this  
25 paragraph.

1           “(B) EXCEPTION.—If the Secretary, after  
2           consultation with the Secretary of Labor, deter-  
3           mines that, at the time of the filing of such pe-  
4           tition, there was not reasonable cause to believe  
5           that the petition would result in a certification  
6           by the Secretary of Labor, with respect to indi-  
7           viduals covered by such petition—

8                   “(i) subparagraph (A) shall not apply  
9                   to such individuals, and

10                   “(ii) in the case of any such individual  
11                   on whose behalf a payment is made under  
12                   section 7527 with respect to a month de-  
13                   scribed in paragraph (1), the tax imposed  
14                   under this subtitle for the taxable year of  
15                   such individual which includes the date of  
16                   such determination shall be increased by  
17                   the amount of such payments.”.

18           (2) CONFORMING AMENDMENTS.—

19                   (A) Paragraph (1) of section 7527(d) of  
20                   such Code is amended by striking “or an eligi-  
21                   ble alternative TAA recipient (as defined in sec-  
22                   tion 35(c)(3))” and inserting “, an eligible al-  
23                   ternative TAA recipient (as defined in section  
24                   35(c)(3)), or an individual who is an eligible in-  
25                   dividual by reason of section 35(c)(5)”.

1           (B) Section 173(f)(4) of the Workforce In-  
2           vestment Act of 1998 (29 U.S.C. 2918(f)(4)) is  
3           amended by striking “and” at the end of sub-  
4           paragraph (B), by striking the period at the  
5           end of subparagraph (C) and inserting “, and”,  
6           and by inserting after subparagraph (C) the fol-  
7           lowing new subparagraph:

8           “(D) an individual who is an eligible indi-  
9           vidual by reason of section 35(e)(5) of the In-  
10          ternal Revenue Code of 1986.”.

11          (c) RESTRICTIONS ON INDIVIDUAL MARKET COV-  
12          ERAGE.—

13           (1) INDIVIDUAL COVERAGE NOT TREATED AS  
14          QUALIFIED HEALTH INSURANCE.—

15           (A) IN GENERAL.—Paragraph (1) of sec-  
16          tion 35(e) of such Code is amended by striking  
17          subparagraph (J).

18           (B) CONFORMING AMENDMENT.—Subpara-  
19          graph (A) of section 173(f)(2) of the Workforce  
20          Investment Act of 1998 (29 U.S.C. 2918(f)(2))  
21          is amended by striking clause (x).

22           (2) RATING SYSTEM REQUIREMENT FOR CER-  
23          TAIN STATE-BASED COVERAGE.—

1           (A) IN GENERAL.—Subparagraph (A) of  
2 section 35(e)(2) of such Code is amended by  
3 adding at the end the following new clause:

4           “(v) RATING SYSTEM REQUIRE-  
5           MENT.—In the case of coverage described  
6 in paragraph (1)(F)(ii), the premiums for  
7 such coverage are restricted based on a  
8 community rating system or based on a  
9 rate-band system under which the max-  
10 imum rate which may be charged does not  
11 exceed 150 percent of the standard rate.”.

12           (B) CONFORMING AMENDMENT.—Clause  
13 (i) of section 173(f)(2)(B) of the Workforce In-  
14 vestment Act of 1998 (29 U.S.C.  
15 2918(f)(2)(B)) is amended by adding at the  
16 end the following new subclause:

17           “(V) RATING SYSTEM REQUIRE-  
18           MENT.—In the case of coverage de-  
19 scribed in subparagraph (A)(vi)(II),  
20 the premiums for such coverage are  
21 restricted based on a community rat-  
22 ing system or based on a rate-band  
23 system under which the maximum  
24 rate which may be charged does not

1                   exceed 150 percent of the standard  
2                   rate.”.

3           (d) MODIFICATION OF CREDITABLE COVERAGE RE-  
4   QUIREMENT.—

5           (1) IN GENERAL.—Subparagraph (B) of section  
6   35(e)(2) of such Code is amended to read as follows:

7                   “(B) QUALIFYING INDIVIDUAL.—For pur-  
8                   poses of this paragraph, the term ‘qualifying in-  
9                   dividual’ means an eligible individual and the  
10                   qualifying family members of such individual if  
11                   such individual meets the requirements of  
12                   clauses (iii) and (iv) of subsection (b)(1)(A)  
13                   and—

14                   “(i) in the case of an eligible TAA re-  
15                   cipient, an eligible alternative TAA recipi-  
16                   ent, or an individual who is an eligible in-  
17                   dividual by reason of subsection (c)(5), has  
18                   (as of the date on which the individual  
19                   seeks to enroll in the coverage described in  
20                   subparagraphs (B) through (H) of para-  
21                   graph (1)) a period of creditable coverage  
22                   (as defined in section 9801(c)), or

23                   “(ii) in the case of an eligible PBGC  
24                   pension recipient, enrolls in such coverage

1 during the 90-day period beginning on the  
2 later of—

3 “(I) the last day of the first  
4 month with respect to which such re-  
5 cipient becomes an eligible PBGC  
6 pension recipient, or

7 “(II) the date of the enactment  
8 of the Trade Adjustment Assistance  
9 Improvement Act.”.

10 (2) CONFORMING AMENDMENT.—Clause (ii) of  
11 section 172(f)(2)(B) of the Workforce Investment  
12 Act of 1998 (29 U.S.C. 2918(f)(2)(B)) is amended  
13 to read as follows:

14 “(ii) QUALIFYING INDIVIDUAL.—For  
15 purposes of this subparagraph, the term  
16 ‘qualifying individual’ means an eligible in-  
17 dividual and the qualifying family members  
18 of such individual if such individual meets  
19 the requirements of clauses (iii) and (iv) of  
20 section 35(b)(1)(A) of the Internal Rev-  
21 enue Code of 1986 and—

22 “(I) in the case of an eligible  
23 TAA recipient, an eligible alternative  
24 TAA recipient, or an individual who is  
25 an eligible individual by reason of sec-



1           tion 35(c)(5) of such Code, has (as of  
2           the date on which the individual seeks  
3           to enroll in the coverage described in  
4           clauses (ii) through (viii) of subpara-  
5           graph (A)) a period of creditable cov-  
6           erage (as defined in section 9801(c) of  
7           such Code), or

8                   “(II) in the case of an eligible  
9           PBGC pension recipient, enrolls in  
10          such coverage during the 90-day pe-  
11          riod beginning on the later of—

12                   “(aa) the last day of the  
13           first month with respect to which  
14           such recipient becomes an eligible  
15           PBGC pension recipient, or

16                   “(bb) the date of the enact-  
17           ment of the Trade Adjustment  
18           Assistance Improvement Act.”.

19           (3) OUTREACH.—The Secretary of the Treas-  
20          ury shall carry out a program to notify individuals  
21          prior to their becoming eligible PBGC pension re-  
22          cipients (as defined in section 35 of the Internal  
23          Revenue Code of 1986) of the requirement of sub-  
24          section (e)(2)(B)(ii) of such section.

1 (e) CONTINUED QUALIFICATION OF FAMILY MEM-  
2 BERS AFTER CERTAIN EVENTS.—

3 (1) IN GENERAL.—Subsection (g) of section 35  
4 of such Code is amended by redesignating paragraph  
5 (9) as paragraph (10) and inserting after paragraph  
6 (8) the following new paragraph:

7 “(9) CONTINUED QUALIFICATION OF FAMILY  
8 MEMBERS AFTER CERTAIN EVENTS.—In the case of  
9 a month which would be an eligible coverage month  
10 with respect to an eligible individual but for a quali-  
11 fying event with respect to such individual (within  
12 the meaning of section 4980B(f)(3)), such month  
13 shall be treated as an eligible coverage month with  
14 respect to any qualifying family member of such eli-  
15 gible individual for a period of months not to exceed  
16 the period of months described in section  
17 4980B(f)(2)(B) with respect to such qualifying  
18 event.”.

19 (2) CONFORMING AMENDMENT.—Section 173(f)  
20 of the Workforce Investment Act of 1998 (29 U.S.C.  
21 2918(f)) is amended by adding at the end the fol-  
22 lowing:

23 “(8) CONTINUED QUALIFICATION OF FAMILY  
24 MEMBERS AFTER CERTAIN EVENTS.—In the case of  
25 a month which would be an eligible coverage month

1 with respect to an eligible individual but for a quali-  
2 fying event with respect to such individual (within  
3 the meaning of section 4980B(f)(3) of the Internal  
4 Revenue Code of 1986), such month shall be treated  
5 as an eligible coverage month with respect to any  
6 qualifying family member of such eligible individual  
7 for a period of months not to exceed the period of  
8 months described in section 4980B(f)(2)(B) of such  
9 Code with respect to such qualifying event.”.

10 (f) TAA PRE-CERTIFICATION PERIOD RULE FOR  
11 PURPOSES OF DETERMINING WHETHER THERE IS A 63-  
12 DAY LAPSE IN CREDITABLE COVERAGE.—

13 (1) IRC AMENDMENT.—Section 9801(c)(2) of  
14 the Internal Revenue Code of 1986 (relating to not  
15 counting periods before significant breaks in cred-  
16 itable coverage) is amended by adding at the end the  
17 following new subparagraph:

18 “(D) TAA-ELIGIBLE INDIVIDUALS.—

19 “(i) TAA PRE-CERTIFICATION PERIOD  
20 RULE.—In the case of a TAA-eligible indi-  
21 vidual, the period beginning on the date  
22 the individual has a TAA-related loss of  
23 coverage and ending on the date which is  
24 5 days after the postmark date of the no-  
25 tice by the Secretary (or by any person or

1 entity designated by the Secretary) that  
2 the individual is eligible for a qualified  
3 health insurance costs credit eligibility cer-  
4 tificate for purposes of section 7527 shall  
5 not be taken into account in determining  
6 the continuous period under subparagraph  
7 (A).

8 “(ii) DEFINITIONS.—The terms ‘TAA-  
9 eligible individual’, and ‘TAA-related loss  
10 of coverage’ have the meanings given such  
11 terms in section 4980B(f)(5)(C)(iv).”.

12 (2) ERISA AMENDMENT.—Section 701(c)(2) of  
13 the Employee Retirement Income Security Act of  
14 1974 (29 U.S.C. 1181(c)(2)) is amended by adding  
15 at the end the following new subparagraph:

16 “(C) TAA-ELIGIBLE INDIVIDUALS.—

17 “(i) TAA PRE-CERTIFICATION PERIOD  
18 RULE.—In the case of a TAA-eligible indi-  
19 vidual, the period beginning on the date  
20 the individual has a TAA-related loss of  
21 coverage and ending on the date that is 5  
22 days after the postmark date of the notice  
23 by the Secretary (or by any person or enti-  
24 ty designated by the Secretary) that the  
25 individual is eligible for a qualified health

1 insurance costs credit eligibility certificate  
2 for purposes of section 7527 of the Inter-  
3 nal Revenue Code of 1986 shall not be  
4 taken into account in determining the con-  
5 tinuous period under subparagraph (A).

6 “(ii) DEFINITIONS.—The terms ‘TAA-  
7 eligible individual’, and ‘TAA-related loss  
8 of coverage’ have the meanings given such  
9 terms in section 605(b)(4)(c).”.

10 (3) PHSA AMENDMENT.—Section 2701(c)(2)  
11 of the Public Health Service Act (42 U.S.C.  
12 300gg(c)(2)) is amended by adding at the end the  
13 following new subparagraph:

14 “(C) TAA-ELIGIBLE INDIVIDUALS.—

15 “(i) TAA PRE-CERTIFICATION PERIOD  
16 RULE.—In the case of a TAA-eligible indi-  
17 vidual, the period beginning on the date  
18 the individual has a TAA-related loss of  
19 coverage and ending on the date that is 5  
20 days after the postmark date of the notice  
21 by the Secretary (or by any person or enti-  
22 ty designated by the Secretary) that the  
23 individual is eligible for a qualified health  
24 insurance costs credit eligibility certificate  
25 for purposes of section 7527 of the Inter-

1           nal Revenue Code of 1986 shall not be  
2           taken into account in determining the con-  
3           tinuous period under subparagraph (A).

4                   “(ii) DEFINITIONS.—The terms ‘TAA-  
5           eligible individual’, and ‘TAA-related loss  
6           of coverage’ have the meanings given such  
7           terms in section 2205(b)(4)(c).”.

8           (g) OFFERING OF NATIONAL FALLBACK COV-  
9           ERAGE.—

10                   (1) PROVISION OF FALLBACK COVERAGE.—The  
11           Director of the Office of Personnel Management  
12           jointly with the Secretary of the Treasury shall es-  
13           tablish a program under which eligible individuals  
14           (as defined in section 35(c) of the Internal Revenue  
15           Code of 1986) are offered enrollment under health  
16           benefit plans that are made available under  
17           FEHBP.

18                   (2) TERMS AND CONDITIONS.—The terms and  
19           conditions of health benefits plans under paragraph  
20           (1) shall be the same as the terms and coverage of-  
21           fered under FEHBP, except that the premium  
22           charged for such health benefit plans offered under  
23           such paragraph—

24                           (A) shall be equal to the full premium (in-  
25           cluding both employer and beneficiary share)

1 charged for such coverage determined in the  
2 same manner, subject to subparagraph (B), it  
3 is determined for full-time employees; and

4 (B) shall be determined for the pool of in-  
5 dividuals covered under this subsection, sepa-  
6 rately from the pool of individuals otherwise  
7 covered under FEHBP.

8 (3) STUDY.—The Director of the Office of Per-  
9 sonnel Management jointly with the Secretary of the  
10 Treasury shall conduct a study of the impact of the  
11 offering of health benefit plans under this subsection  
12 on the terms and conditions, including premiums,  
13 for health benefit plans offered under FEHBP and  
14 shall submit to Congress, not later than 2 years  
15 after the date of the enactment of this Act, a report  
16 on such study. Such report may contain such rec-  
17 ommendations regarding the establishment of sepa-  
18 rate risk pools for individuals covered under  
19 FEHBP and eligible individuals covered this sub-  
20 section as may be appropriate to protect the inter-  
21 ests of individuals covered under FEHBP.

22 (4) FEHBP DEFINED.—For purposes of this  
23 subsection, the term “FEHBP” means the Federal  
24 Employees Health Benefits Program offered under  
25 chapter 89 of title 5, United States Code.

1 (5) CONFORMING AMENDMENTS.—

2 (A) Paragraph (1) of section 35(e) of the  
3 Internal Revenue Code of 1986 is amended by  
4 adding at the end the following:

5 “(K) Coverage under a health benefits plan  
6 offered under section 17(g) of the Trade Ad-  
7 justment Assistance Improvement Act.”.

8 (B) Section 173(f)(2)(A) of the Workforce  
9 Investment Act of 1998 (29 U.S.C.  
10 2918(f)(2)(A)) is amended by adding at the end  
11 the following new clause:

12 “(xi) Coverage under a health benefits  
13 plan offered under section 17(g) of the  
14 Trade Adjustment Assistance Improvement  
15 Act.”.

16 (h) REPORT TO CONGRESS.—Not later than 18  
17 months after the date of the enactment of this Act, the  
18 Secretary of the Treasury shall transmit to the Congress  
19 a report which includes the recommendations of the Sec-  
20 retary regarding increasing the number eligible individuals  
21 who are covered by qualified health insurance, including  
22 increasing such number by increasing the credit subsidy  
23 under section 35 of the Internal Revenue Code of 1986  
24 to make the premiums for such insurance more affordable.  
25 Terms used in this subsection which are defined in such



1 section shall have the meaning given such terms by such  
2 section.

3 (i) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-  
5 graph (2), the amendments made by this section  
6 shall apply to months beginning after the date of the  
7 enactment of this Act in taxable years ending after  
8 such date.

9 (2) GRANDFATHERING OF INDIVIDUAL COV-  
10 ERAGE RULES FOR CURRENT RECIPIENTS.—The  
11 amendments made by subsection (c) shall not apply  
12 with respect to any eligible individual (or qualifying  
13 family members with respect to such individual) for  
14 any month if such individual was an eligible indi-  
15 vidual for all previous months which began after the  
16 date of the enactment of this Act and was enrolled  
17 in coverage described in section 35(e)(1)(J) of such  
18 Code (as in effect immediately before the date of the  
19 enactment of this Act) for all such previous months.

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