

110TH CONGRESS
1ST SESSION

H. R. 3920

To amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 2007

Mr. RANGEL (for himself, Mr. LEVIN, Mr. McDERMOTT, Mr. GEORGE MILLER of California, Mr. SMITH of Washington, Mr. STARK, Mr. NEAL of Massachusetts, Mr. LEWIS of Georgia, Mr. McNULTY, Mr. BECERRA, Mr. POMEROY, Mrs. JONES of Ohio, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. EMANUEL, Mr. BLUMENAUER, Mr. KIND, Mr. PASCRELL, Ms. BERKLEY, Mr. CROWLEY, Mr. VAN HOLLEN, Mr. MEEK of Florida, Ms. SCHWARTZ, Mr. DAVIS of Alabama, Mrs. TAUSCHER, Mr. BAIRD, Mr. BISHOP of New York, Mr. MICHAUD, Ms. WASSERMAN SCHULTZ, Mr. COURTNEY, Mr. HARE, and Mr. SESTAK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor and Energy and Commerce, 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

A BILL

To amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Trade and Globalization Act of 2007”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Subtitle A—Trade Adjustment Assistance for Service Sector Workers; Expansion of Covered Shifts in Production; Expansion of Downstream Secondary Worker Eligibility

Sec. 101. Extension of trade adjustment assistance to services sector; shifts in production.

Sec. 102. Determinations by Secretary of Labor.

Sec. 103. Monitoring and reporting relating to service sector.

Subtitle B—Industry-Wide Trade Adjustment Assistance

Sec. 111. Industry-wide determinations.

Sec. 112. Notifications regarding affirmative determinations and safeguards.

Sec. 113. Notification to Secretary of Commerce.

Sec. 114. Restriction on eligibility for program benefits.

Subtitle C—Program Benefits

Sec. 121. Qualifying requirements for workers.

Sec. 122. Weekly amounts.

Sec. 123. Limitations on trade readjustment allowances; allowances for extended training and breaks in training.

Sec. 124. Special rules for calculation of eligibility period.

Sec. 125. Application of State laws and regulations on good cause for waiver of time limits or late filing of claims.

Sec. 126. Employment and case management services.

Sec. 127. Training.

Sec. 128. Prerequisite education; approved training programs.

Sec. 129. Eligibility for unemployment insurance and program benefits while in training.

Sec. 130. Administrative expenses and employment and case management services.

Sec. 131. Job search and relocation allowances.

Subtitle D—Health Care Provisions

Sec. 141. Modifications relating health insurance assistance for certain TAA and PBGC pension recipients.

Subtitle E—Wage Insurance

Sec. 151. Reemployment trade adjustment assistance program for older workers.

Subtitle F—Other Matters

Sec. 161. Agreements with States.

Sec. 162. Fraud and recovery of overpayments.

Sec. 163. Technical amendments.

Sec. 164. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for Trade Adjustment Assistance.

Sec. 165. Collection of data and reports; information to workers.

Sec. 166. Extension of TAA program.

Sec. 167. Judicial review.

Sec. 168. Liberal construction of certification of workers and firms.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Sec. 201. Trade adjustment assistance for firms.

Sec. 202. Extension of authorization of trade adjustment assistance for firms.

Sec. 203. Industry-wide programs for the development of new services.

TITLE III—UNEMPLOYMENT INSURANCE

Sec. 301. Short title.

Sec. 302. Special transfers to State accounts in the Unemployment Trust Fund.

Sec. 303. Extension of FUTA tax.

TITLE IV—MANUFACTURING REDEVELOPMENT ZONES

Sec. 401. Manufacturing redevelopment zones.

Sec. 402. Delay in application of worldwide interest allocation.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Since January 2001, the United States
4 economy has lost nearly 3 million jobs in the manu-
5 facturing sector alone.

6 (2) Today, over 7.1 million people in the United
7 States are unemployed, and nearly 1.2 million of
8 those individuals have been unemployed for 6
9 months or longer.

10 (3) While the United States manufacturing sec-
11 tor has been the hardest hit by increased unemploy-

1 ment, the United States service sector has also seen
2 declines as jobs have moved to low-cost labor mar-
3 kets, such as China, India, and the Philippines.

4 (4) Promoting the economic growth and com-
5 petitiveness of the United States requires—

6 (A) opening substantial new markets for
7 United States goods, services, and farm prod-
8 ucts;

9 (B) building a strong framework of rules
10 for international trade to level the playing field
11 for United States workers and businesses in all
12 sectors of the economy; and

13 (C) helping those affected by globalization
14 overcome its challenges and succeed.

15 (5) Congress created the trade adjustment as-
16 sistance program in 1962 to provide United States
17 workers who lose their jobs because of foreign com-
18 petition with government-funded training and associ-
19 ated income support to enable such workers to tran-
20 sition to new, good-paying jobs.

21 (6) Unfortunately, the trade adjustment assist-
22 ance program has not kept pace with globalization
23 and it is failing to ensure that all workers adversely
24 affected by trade receive the assistance they need
25 and deserve.

1 (7) Workers in the service sector, who make up
2 approximately 80 percent of the United States work-
3 force, are ineligible for trade adjustment assistance.

4 (8) Inadequate funding for training leaves
5 many dislocated workers without access to the re-
6 training they need to find good-paying jobs.

7 (9) Unnecessary, unduly burdensome, and con-
8 fusing program eligibility rules prevent workers from
9 gaining access to benefits for which they are eligible.

10 (10) The health coverage tax credit suffers
11 from fundamental flaws and, as a result, the credit
12 is not being used by the vast majority of people who
13 are eligible for it, despite a clear need for access to
14 affordable health care.

15 (11) To meet the challenges posed by
16 globalization and to preserve the critical role that
17 United States workers play in promoting the
18 strength and prosperity of the United States, the
19 trade adjustment assistance program must be re-
20 formed.

1 **TITLE I—TRADE ADJUSTMENT**
2 **ASSISTANCE FOR WORKERS**
3 **Subtitle A—Trade Adjustment As-**
4 **sistance for Service Sector**
5 **Workers; Expansion of Covered**
6 **Shifts in Production; Expansion**
7 **of Downstream Secondary**
8 **Worker Eligibility**

9 **SEC. 101. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**
10 **TO SERVICES SECTOR; SHIFTS IN PRODUC-**
11 **TION.**

12 (a) PETITIONS.—Section 221(a) of the Trade Act of
13 1974 (19 U.S.C. 2271(a)(1)) is amended—

14 (1) in paragraph (1)—

15 (A) in the matter preceding subparagraph

16 (A)—

17 (i) by striking “Secretary” and insert-
18 ing “Secretary of Labor”; and

19 (ii) by striking “or subdivision” and
20 inserting (or subdivision) or public agency
21 (or subdivision); and

22 (B) in subparagraph (A), by striking
23 “firm)” and inserting “firm, and workers in a
24 service sector firm or subdivision of a service
25 sector firm, or public agency)”;

(2) in paragraph (3), by inserting “and on the Website of the Department of Labor” after “Federal Register”.

(b) GROUP ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Subsection (a) of section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(A) in the matter preceding paragraph (1), by striking “(including workers in any agricultural firm or subdivision of an agricultural firm)” and inserting “(other than workers in a public agency)”;

(B) in paragraph (2)—

(i) in subparagraph (A)(ii), by striking “like or directly competitive with articles produced” and inserting “or services like or directly competitive with articles produced or services provided”; and

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

“(B)(i) there has been a shift, by such workers’ firm or subdivision to a foreign country, of production of articles, or in provision of services, like or directly competitive with arti-

1 cles that are produced, or services that are pro-
 2 vided, by such firm or subdivision; or

3 “(ii) such workers’ firm or subdivision has
 4 obtained or is likely to obtain articles or serv-
 5 ices described in clause (i) from a foreign coun-
 6 try.”.

7 (2) WORKERS IN PUBLIC AGENCIES.—Such sec-
 8 tion is further amended—

9 (A) by redesignating subsections (b) and
 10 (c) as subsections (c) and (d), respectively; and

11 (B) by inserting after subsection (a) the
 12 following:

13 “(b) ADVERSELY AFFECTED WORKERS IN PUBLIC
 14 AGENCIES.—A group of workers in a public agency shall
 15 be certified by the Secretary as eligible to apply for adjust-
 16 ment assistance under this chapter pursuant to a petition
 17 filed under section 221 if the Secretary determines that—

18 “(1) a significant number or proportion of the
 19 workers in the public agency, or an appropriate sub-
 20 division of the public agency, have become totally or
 21 partially separated, or are threatened to become to-
 22 tally or partially separated; and

23 “(2) the public agency or subdivision has ob-
 24 tained or is likely to obtain from a foreign country

1 services that would otherwise be provided by such
 2 agency or subdivision.”.

3 (3) ADVERSELY AFFECTED SECONDARY WORK-
 4 ERS.—Subsection (c) of such section (as redesign-
 5 ated by paragraph (2)(A) of this subsection) is
 6 amended—

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

12 (B) in paragraph (2)—

13 (i) by inserting “or service” after “re-
 14 lated to the article”; and

15 (ii) by striking “(c)(3)” and inserting
 16 “(d)(3)”; and

17 (C) in paragraph (3)(A), by striking “it
 18 supplied to the firm (or subdivision)” and in-
 19 serting “or services it supplied to the firm (or
 20 subdivision)”.

21 (4) DEFINITIONS AND ELIGIBILITY.—Sub-
 22 section (d) of such section (as redesignated by para-
 23 graph (2)(A) of this subsection) is amended—

24 (A) by striking “(d) For purposes of this
 25 section—” and inserting “(d) DEFINITIONS

1 AND ELIGIBILITY.—For purposes of this sec-
2 tion:”

3 (B) in paragraph (3), to read as follows:

4 “(3) DOWNSTREAM PRODUCER.—The term
5 ‘downstream producer’ means a firm that performs
6 additional, value-added production processes or serv-
7 ices for a firm or subdivision, including a firm that
8 performs final assembly, finishing, testing, pack-
9 aging, or maintenance or transportation services di-
10 rectly for another firm (or subdivision), for articles
11 or services that were the basis for a certification of
12 eligibility under subsection (a) of a group of workers
13 employed by such other firm (or subdivision).”;

14 (C) in paragraph (4)—

15 (i) by striking “for articles” and in-
16 serting “, or services, used in the produc-
17 tion of articles or in the provision of serv-
18 ices, as the case may be,”; and

19 (ii) by inserting “(or subdivision)”
20 after “such other firm”; and

21 (D) by adding at the end the following:

22 “(5) FIRMS IDENTIFIED BY ITC.—A petition
23 filed under section 221 covering a group of workers
24 from a firm or appropriate subdivision of a firm
25 meets the requirements of subsection (a) if the firm

1 is identified by the International Trade Commission
2 under subsection (c), (d), or (e) of section 224.”.

3 (5) BASIS FOR SECRETARY’S DETERMINA-
4 TIONS.—Such section is further amended by adding
5 at the end the following:

6 “(e) BASIS FOR SECRETARY’S DETERMINATIONS.—

7 “(1) INCREASED IMPORTS OF SERVICES.—For
8 purposes of subsection (a)(2)(A)(ii), the Secretary
9 may determine that increased imports of like or di-
10 rectly competitive services exist if the customers of
11 the workers’ firm or subdivision accounting for not
12 less than 20 percent of the sales of the workers’ firm
13 or subdivision (as the case may be) certify to the
14 Secretary that such customers are obtaining such
15 services from a foreign country.

16 “(2) SHIFT IN PRODUCTION; OBTAINING ARTI-
17 CLES OR SERVICES ABROAD.—For purposes of sub-
18 sections (a)(2)(B) and (b)(2), the Secretary may de-
19 termine that there has been a shift in production of
20 articles or provision of services, or that a workers’
21 firm or public agency, or subdivision thereof, has ob-
22 tained or is likely to obtain like or directly competi-
23 tive articles or services from a foreign country, based
24 on a certification thereof from the workers’ firm,
25 public agency, or subdivision (as the case may be).

1 “(3) PROCESS AND METHODS FOR OBTAINING
2 CERTIFICATIONS.—

3 “(A) REQUEST BY PETITIONER.—If re-
4 quested by the petitioner, the Secretary shall
5 obtain the certifications under paragraphs (1)
6 and (2) in such manner as the Secretary deter-
7 mines is appropriate, including by issuing sub-
8 poenas under section 249 when necessary.

9 “(B) PROTECTION OF CONFIDENTIAL IN-
10 FORMATION.—The Secretary may not release
11 information obtained under subparagraph (A)
12 that the Secretary considers to be confidential
13 business information unless the party submit-
14 ting the confidential business information had
15 notice, at the time of submission, that such in-
16 formation would be released by the Secretary,
17 or such party subsequently consents to the re-
18 lease of the information. Nothing in this sub-
19 paragraph shall be construed to prohibit a court
20 from requiring the submission of such confiden-
21 tial business information to the court in cam-
22 era.”.

23 (c) DEFINITIONS.—Section 247 of the Trade Act of
24 1974 (19 U.S.C. 2319) is amended—

1 (1) in the matter preceding paragraph (1), by
2 striking “chapter—” and inserting “chapter:”;

3 (2) in paragraph (1)—

4 (A) by inserting “, or employment in a
5 public agency or appropriate subdivision of a
6 public agency,” after “of a firm”; and

7 (B) by striking “such firm or subdivision”
8 inserting “such firm (or subdivision) or public
9 agency (or subdivision)”;

10 (3) in paragraph (2), by striking “employ-
11 ment—” and all that follows and inserting “employ-
12 ment has been totally or partially separated from
13 such employment.”;

14 (4) by redesignating paragraphs (8) through
15 (17) as paragraphs (10) through (19), respectively;
16 and

17 (5) by inserting after paragraph (6) the fol-
18 lowing:

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

22 “(8) The term ‘service sector firm’ means an
23 entity engaged in the business of providing services.

24 “(9) Except as otherwise provided, the term
25 ‘Secretary’ means the Secretary of Labor.”.

1 **SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.**

2 Section 223 of the Trade Act of 1974 (19 U.S.C.
3 2273) is amended—

4 (1) in subsection (b), by striking “before his ap-
5 plication” and all that follows and inserting “before
6 the worker’s application under section 231 occurred
7 more than one year before the date of the petition
8 on which such certification was granted.”;

9 (2) in subsection (c), by striking “together with
10 his reasons” and inserting “and on the Website of
11 the Department of Labor, together with the Sec-
12 retary’s reasons”; and

13 (3) in subsection (d), by striking “together with
14 his reasons” and inserting “and on the Website of
15 the Department of Labor, together with the Sec-
16 retary’s reasons”.

17 **SEC. 103. MONITORING AND REPORTING RELATING TO**
18 **SERVICE SECTOR.**

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

21 (1) in the heading, by striking “**SYSTEM**” and
22 inserting “**AND DATA COLLECTION**”;

23 (2) in the first sentence—

24 (A) by striking “The Secretary” and in-
25 serting “(a) MONITORING PROGRAMS.—The
26 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 (3) by adding at the end the following:

10 “(b) COLLECTION OF DATA AND REPORTS ON SERV-
11 ICE SECTOR.—

12 “(1) SECRETARY OF LABOR.—Not later than
13 90 days after the date of the enactment of the Trade
14 and Globalization Act of 2007, the Secretary of
15 Labor shall implement a system to collect data on
16 adversely affected workers employed in the service
17 sector that includes the number of workers by State,
18 industry, and cause of dislocation of each worker.

19 “(2) SECRETARY OF COMMERCE.—Not later
20 than 1 year after such date of enactment, the Sec-
21 retary of Commerce shall, in consultation with the
22 Secretary of Labor, conduct a study and report to
23 Congress on ways to improve the timeliness and cov-
24 erage of data on trade in services, including methods
25 to identify increased imports due to the relocation of

1 United States firms to foreign countries, and in-
 2 creased imports due to United States firms obtain-
 3 ing services from firms in foreign countries.”.

4 (b) CLERICAL AMENDMENT.—The table of contents
 5 for title II of the Trade Act of 1974 is amended by strik-
 6 ing the item relating to section 282 and inserting the fol-
 7 lowing:

“Sec. 282. Trade monitoring and data collection.”.

8 **Subtitle B—Industry-Wide Trade** 9 **Adjustment Assistance**

10 **SEC. 111. INDUSTRY-WIDE DETERMINATIONS.**

11 (a) IN GENERAL.—Subchapter A of chapter 2 of title
 12 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
 13 amended by adding after section 223 the following:

14 **“SEC. 223A. INDUSTRY-WIDE DETERMINATIONS.**

15 “(a) INVESTIGATION.—Upon the request of the
 16 President or the United States Trade Representative, or
 17 the resolution of either the Committee on Finance of the
 18 Senate or the Committee on Ways and Means of the
 19 House of Representatives, with respect to a domestic in-
 20 dustry, or if the Secretary certifies groups of workers in
 21 a domestic industry under section 223(a) pursuant to 3
 22 petitions within a 180-day period, the Secretary shall
 23 promptly initiate an investigation under this chapter to
 24 determine the eligibility for adjustment assistance of—

25 “(1) all workers in that domestic industry; or

1 “(2) all workers in that domestic industry in a
2 specific geographic region.

3 “(b) DETERMINATION REGARDING INDUSTRY-WIDE
4 CERTIFICATION.—

5 “(1) DETERMINATION.—The Secretary shall,
6 not later than 60 days after receiving a request or
7 resolution described in subsection (a) with respect to
8 a domestic industry, or making the third certifi-
9 cation of workers in a domestic industry described in
10 subsection (a), as the case may be—

11 “(A) determine whether all adversely af-
12 fected workers in that domestic industry are eli-
13 gible to apply for assistance under this sub-
14 chapter, in accordance with the criteria estab-
15 lished under subsection (e); or

16 “(B) determine whether all adversely af-
17 fected workers in that domestic industry in a
18 specific geographic region are eligible to apply
19 for assistance under this subchapter, in accord-
20 ance with the criteria established under sub-
21 section (e).

22 “(c) IDENTIFICATION AND CERTIFICATION.—

23 “(1) AFFIRMATIVE DETERMINATION.—

1 “(A) IN GENERAL.—Upon making an af-
2 firmative determination under subsection (b),
3 the Secretary shall—

4 “(i) identify all firms operating within
5 the domestic industry described in para-
6 graph (1) or (2) or subsection (b) that are
7 covered by the determination;

8 “(ii) certify all workers of such firms
9 as a group of workers eligible to apply for
10 assistance under this subchapter, without
11 any other determination of whether such
12 group meets the requirements of section
13 222.

14 “(B) OTHER REQUIREMENTS.—

15 “(i) IN GENERAL.—Each certification
16 under subparagraph (A)(ii) shall specify
17 the date on which the total or partial sepa-
18 ration began or threatened to begin, except
19 that—

20 “(I) with respect to a request or
21 a resolution under subsection (a),
22 such date may not be a date that pre-
23 cedes one year before the date on
24 which the Secretary receives the re-

1 quest or resolution, as the case may
2 be; and

3 “(II) with respect to the third
4 certification of workers in a domestic
5 industry described in subsection (a),
6 such date may not be a date that pre-
7 cedes one year before the date on
8 which the Secretary certifies the 3d
9 such petition.

10 “(ii) INAPPLICABILITY.—A certifi-
11 cation under subparagraph (A)(ii) shall not
12 apply to any worker whose last total or
13 partial separation from the firm occurred
14 before the applicable date specified in
15 clause (i).

16 “(2) NEGATIVE DETERMINATION.—If the Sec-
17 retary makes a negative determination under sub-
18 section (b), the Secretary shall notify the Committee
19 on Ways and Means of the House of Representatives
20 and the Committee on Finance of the Senate of the
21 reasons for the Secretary’s determination.

22 “(3) PUBLICATION.—Upon making a deter-
23 mination under subsection (b), the Secretary shall
24 promptly publish a summary of the determination in
25 the Federal Register and on the Website of the De-

1 partment of Labor, together with the reasons for
2 making such determination.

3 “(4) TERMINATION.—Whenever the Secretary
4 determines that a certification under paragraph (1)
5 is no longer warranted, the Secretary shall terminate
6 the certification and promptly have notice of the ter-
7 mination published in the Federal Register and on
8 the Website of the Department of Labor, together
9 with the reasons for making such determination
10 under this paragraph. Such termination shall apply
11 only with respect to total or partial separations oc-
12 curring after the termination date specified by the
13 Secretary.

14 “(d) OUTREACH.—Upon making a certification under
15 subsection (c)(1) of eligibility for adjustment assistance
16 under this chapter of a group of workers or all workers
17 in a domestic industry, the Secretary shall notify each
18 Governor of a State in which the workers are located of
19 the certification.

20 “(e) REGULATIONS.—The Secretary shall, not later
21 than 1 year after the date of the enactment of the Trade
22 and Globalization Act of 2007, issue regulations for mak-
23 ing determinations under this section, including criteria
24 for making such determinations. The Secretary shall de-
25 velop such regulations in consultation with the Committee

1 on Ways and Means of the House of Representatives and
2 the Committee on Finance of the Senate, and the Sec-
3 retary shall submit such regulations to each such com-
4 mittee at least 60 days before the regulations go into ef-
5 fect.

6 “(f) DOMESTIC INDUSTRY DEFINED.—In this sec-
7 tion, the term ‘domestic industry’ means an industry in
8 the United States, as that industry is defined by the North
9 American Industry Classification System.”.

10 (b) CLERICAL AMENDMENT.—The table of contents
11 for title II of the Trade Act of 1974 is amended by insert-
12 ing after the item relating to section 223 the following:

“Sec. 223A. Industry-wide determinations.”.

13 (c) CONFORMING AMENDMENTS.—Chapter 2 of title
14 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
15 amended—

16 (1) in section 225—

17 (A) in subsection (a), in the last sentence
18 by inserting “or 223A” after “223”; and

19 (B) in subsection (b)—

20 (i) in paragraph (1), by striking “sub-
21 chapter A of this chapter” and inserting
22 “this subchapter”; and

23 (ii) in paragraph (2), by striking
24 “subchapter A” and inserting “this sub-
25 chapter”; and

1 (2) in section 231—

2 (A) in subsection (a)—

3 (i) in the matter preceding paragraph
4 (1), by striking “more than 60 days” and
5 all that follows through “section 221” and
6 inserting “on or after the date of such cer-
7 tification”; and

8 (ii) in paragraph (1)—

9 (I) in subparagraph (B), by in-
10 serting “or 223A (as the case may
11 be)” after “223”; and

12 (II) in subparagraph (C), by in-
13 serting “or 223A(c)(4), as the case
14 may be” after “223(d)”; and

15 (B) in subsection (b)—

16 (i) by striking paragraph (2); and

17 (ii) in paragraph (1)—

18 (I) by striking “(1)”;

19 (II) by redesignating subpara-
20 graphs (A) and (B) as paragraph (1)
21 and (2), respectively;

22 (III) by redesignating clauses (i)
23 and (ii) as subparagraphs (A) and
24 (B), respectively; and

1 (IV) by redesignating subclauses
 2 (I) and (II) as clauses (i) and (ii), re-
 3 spectively.

4 **SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DE-**
 5 **TERMINATIONS AND SAFEGUARDS.**

6 (a) IN GENERAL.—Section 224 of the Trade Act of
 7 1974 (19 U.S.C. 2274) is amended—

8 (1) in the heading, by striking “**STUDY BY**
 9 **SECRETARY OF LABOR WHEN INTERNATIONAL**
 10 **TRADE COMMISSION BEGINS INVESTIGATION**”
 11 and inserting “**STUDY AND NOTIFICATIONS RE-**
 12 **GARDING TRADE REMEDY DETERMINATIONS**”;

13 (2) in subsection (a), by striking “Whenever”
 14 and inserting “**STUDY OF DOMESTIC INDUSTRY.—**
 15 **Whenever**”;

16 (3) in subsection (b)—

17 (A) by striking “The report” and inserting
 18 “**REPORT BY THE SECRETARY.—The report**”;

19 (B) by striking “his report” and inserting
 20 “the Secretary’s report”; and

21 (C) by inserting “and on the Website of
 22 the Department of Labor” after “Federal Reg-
 23 ister”; and

24 (4) by adding at the end the following:

1 “(c) NOTIFICATIONS REGARDING AFFIRMATIVE
2 SAFEGUARD DETERMINATIONS UNDER SECTION 202.—

3 Upon issuing an affirmative finding regarding serious in-
4 jury, or the threat thereof, to a domestic industry, under
5 section 202, the Commission shall notify the Secretary and
6 the Secretary of Commerce of that finding and the identity
7 of the firms which comprise the domestic industry.

8 “(d) NOTIFICATIONS REGARDING AFFIRMATIVE DE-
9 TERMINATIONS UNDER SECTION 421.—Upon issuing an
10 affirmative determination of market disruption, or the
11 threat thereof, under section 421, the Commission shall
12 notify the Secretary and the Secretary of Commerce of
13 that determination and the identity of the firms which
14 comprise the affected domestic industry.

15 “(e) NOTIFICATIONS REGARDING AFFIRMATIVE DE-
16 TERMINATIONS UNDER TARIFF ACT OF 1930.—Upon
17 issuing a final affirmative determination of injury, or the
18 threat thereof, under section 705 or section 735 of the
19 Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the
20 Commission shall notify the Secretary and the Secretary
21 of Commerce of that determination and the identity of the
22 firms which comprise the affected domestic industry.

23 “(f) NOTIFICATION OF INDUSTRY AND WORKER
24 REPRESENTATIVES.—Whenever the Commission makes a
25 notification under subsection (c), (d), or (e)—

1 “(1) the Secretary shall—

2 “(A) notify the firms identified by the
3 Commission as comprising the domestic indus-
4 try affected, and any certified or recognized
5 union or other duly authorized representatives
6 of the workers in such industry, of the allow-
7 ances, training, employment services, and other
8 benefits available under this chapter, and the
9 procedures under this chapter for filing peti-
10 tions and applying for benefits;

11 “(B) notify the Governor of each State in
12 which one or more firms described in subpara-
13 graph (A) are located of the Commission’s de-
14 termination and the identity of the firms; and

15 “(C) provide the necessary assistance to
16 employers, groups of workers, and any certified
17 or recognized union or other duly authorized
18 representatives of such workers to file petitions
19 under section 221; and

20 “(2) the Secretary of Commerce shall—

21 “(A) notify the firms identified by the
22 Commission as comprising the domestic indus-
23 try affected of the benefits under chapter 3 and
24 the procedures under such chapter for filing pe-
25 titions and applying for benefits; and

1 “(B) provide the necessary assistance to
2 firms to file petitions under section 251.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for title II of the Trade Act of 1974 is amended by strik-
5 ing the item relating to section 224 and inserting the fol-
6 lowing:

“Sec. 224. Study and notifications regarding trade remedy determinations.”.

7 **SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.**

8 Section 225 of the Trade Act of 1974 (19 U.S.C.
9 2275) is amended by adding at the end the following:

10 “(c) Upon issuing a certification under section 223
11 or 223A, the Secretary shall notify the Secretary of Com-
12 merce of the identify of the firm or firms that are covered
13 by the certification.”.

14 **SEC. 114. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
15 **BENEFITS.**

16 (a) IN GENERAL.—Subchapter A of chapter 2 of title
17 II of the trade Act of 1974 (19 U.S.C. 2271 et seq.) is
18 amended by adding at the end the following new section:

19 **“SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
20 **BENEFITS.**

21 “No benefit allowances, training, or other employ-
22 ment services may be provided under this chapter to a
23 worker who is an alien unless the alien is an individual
24 lawfully admitted for permanent residence to the United
25 States, is lawfully present in the United States, or is per-

1 manently residing in the United States under color of
2 law.”.

3 (b) CONFORMING AMENDMENT.—The table of con-
4 tents of the Trade Act of 1974 is amended by adding after
5 the item relating to section 225 the following:

“226. Restriction on eligibility for program benefits.”.

6 **Subtitle C—Program Benefits**

7 **SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.**

8 (a) IN GENERAL.—Subsection (a)(5)(A)(ii) of section
9 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amend-
10 ed—

11 (1) by striking subclauses (I) and (II) and in-
12 serting the following:

13 “(I) in the case of a worker whose
14 most recent total separation from adversely
15 affected employment that meets the re-
16 quirements of paragraphs (1) and (2) oc-
17 curs after the date on which the Secretary
18 issues a certification covering the worker,
19 the last day of the 26th week after such
20 total separation,

21 “(II) in the case of a worker whose
22 most recent total separation from adversely
23 affected employment that meets the re-
24 quirements of paragraphs (1) and (2) oc-
25 curs before the date on which the Sec-

1 retary issues a certification covering the
 2 worker, the last day of the 26th week after
 3 the date of such certification,”; and

4 (2) in subclause (III)—

5 (A) by striking “later of the dates specified
 6 in subclause (I) or (II)” and inserting “date
 7 specified in subclause (I) or (II), as the case
 8 may be”; and

9 (B) by striking “or” at the end;

10 (3) by redesignating subclause (IV) as sub-
 11 clause (V); and

12 (4) by inserting after subclause (III) the fol-
 13 lowing:

14 “(IV) the last day of such period that
 15 the Secretary determines appropriate, if
 16 the failure to enroll is due to the failure to
 17 provide the worker with timely information
 18 regarding the date specified in subclause
 19 (I) or (II), as the case may be, or”.

20 (b) WAIVERS OF TRAINING REQUIREMENTS.—Sub-
 21 section (c) of such section 231 is amended—

22 (1) in paragraph (1)(B)—

23 (A) by striking “The worker possesses”
 24 and inserting

1 “(i) IN GENERAL.—The worker pos-
 2 sesses”;

3 (B) by moving the remaining text 2 ems to
 4 the right; and

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

6 “(ii) MARKETABLE SKILLS DE-
 7 FINED.—For purposes of clause (i), the
 8 term ‘marketable skills’ may include the
 9 possession of a postgraduate degree from
 10 an institution of higher education (as de-
 11 fined in section 101(a) of the Higher Edu-
 12 cation Act of 1965) or equivalent foreign
 13 institution, or the possession of an equiva-
 14 lent postgraduate certification in a special-
 15 ized field.”; and

16 (2) in paragraph (3)—

17 (A) in subparagraph (A), by striking “may
 18 authorize” and inserting “shall authorize”;

19 (B) by redesignating subparagraph (B) as
 20 subparagraph (C); and

21 (C) by inserting after subparagraph (A)
 22 the following:

23 “(B) DURATION OF WAIVERS.—A waiver
 24 issued under paragraph (1) by a cooperating
 25 State shall be effective for not more than 3

1 months after the date on which the waiver is
 2 issued, except that the State, upon reviewing
 3 the waiver, may extend the waiver for an addi-
 4 tional period of not more than 3 months if the
 5 State determines that the waiver should be
 6 maintained.”.

7 (c) DETERMINATIONS OF ELIGIBILITY BY STATE EM-
 8 PLOYEES APPOINTED ON MERIT BASIS.—Such section
 9 231 is further amended by adding at the end the following:

10 “(d) DETERMINATIONS OF ELIGIBILITY BY STATE
 11 EMPLOYEES APPOINTED ON MERIT BASIS.—All deter-
 12 minations of eligibility for trade readjustment allowances
 13 under this part shall be made by employees of the State
 14 who are appointed on a merit basis.”.

15 (d) CONFORMING AMENDMENT.—Section 233 of the
 16 Trade Act of 1974 (19 U.S.C. 2293) is amended by strik-
 17 ing subsection (b) and redesignating subsections (c)
 18 through (g) as subsections (b) through (f), respectively.

19 **SEC. 122. WEEKLY AMOUNTS.**

20 (a) IN GENERAL.—Section 232 of the Trade Act of
 21 1974 (19 U.S.C. 2292) is amended—

22 (1) in subsection (a)—

23 (A) by striking “subsections (b) and (c)”
 24 and inserting “subsections (b), (c), and (d)”;

1 (B) by striking “total unemployment” the
2 first place it appears and inserting “unemploy-
3 ment”; and

4 (C) in paragraph (2), by adding at the end
5 before the period the following: “, except that
6 in the case of an adversely affected worker who
7 is participating in full-time training under this
8 chapter, such income shall not include earnings
9 from work for such week that are equal to or
10 less than the most recent weekly benefit amount
11 of the unemployment insurance payable to the
12 worker for a week of total unemployment pre-
13 ceding the worker’s first exhaustion of unem-
14 ployment insurance (as determined for purposes
15 of section 231(a)(3)(B))”;

16 (2) by redesignating subsections (b) and (c) as
17 subsections (c) and (d), respectively; and

18 (3) by inserting after subsection (a) the fol-
19 lowing:

20 “(b)(1) Notwithstanding section 231(a)(3)(B), if an
21 adversely affected worker who is participating in training
22 qualifies for unemployment insurance under State law,
23 based in whole or in part upon part-time or short-term
24 employment following approval of the worker’s initial
25 trade readjustment allowance application under section

1 231(a), then for any week for which unemployment insur-
 2 ance is payable and for which the worker would otherwise
 3 be entitled to a trade readjustment allowance based upon
 4 the certification under section 223, the worker shall, in
 5 addition to any such unemployment insurance, be paid a
 6 trade readjustment allowance in the amount described in
 7 paragraph (2).

8 “(2) The trade readjustment allowance payable under
 9 paragraph (1) shall be equal to the weekly benefit amount
 10 of the unemployment insurance upon which the worker’s
 11 trade readjustment allowance was initially determined
 12 under subsection (a), reduced by—

13 “(A) the amount of the unemployment insurance ben-
 14 efit payable to such worker for that week of unemployment
 15 for which a trade readjustment allowance is payable under
 16 paragraph (1); and

17 “(B) the amounts described in paragraphs (1) and
 18 (2) of subsection (a).”.

19 (b) CONFORMING AMENDMENTS.—Section 233 of the
 20 Trade Act of 1974 (19 U.S.C. 2293) is amended—

21 (1) in subsection (a)(1), by striking “section
 22 232(a)” and inserting “subsections (a) and (b) of
 23 section 232”; and

24 (2) in subsection (c), by striking “section
 25 232(b)” and inserting “section 232(c)”.

1 **SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOW-**
 2 **ANCES; ALLOWANCES FOR EXTENDED TRAIN-**
 3 **ING AND BREAKS IN TRAINING.**

4 Section 233(a) of the Trade Act of 1974 (19 U.S.C.
 5 2293(a)) is amended—

6 (1) in paragraph (2), by inserting “under para-
 7 graph (1)” after “trade readjustment allowance”;

8 (2) in paragraph (3)—

9 (A) in the matter preceding subparagraph
 10 (A)—

11 (i) by striking “52 additional weeks”
 12 and inserting “78 additional weeks”; and

13 (ii) by striking “52-week” and insert-
 14 ing “91-week”; and

15 (B) in the matter following subparagraph
 16 (B), by striking “52-week” and inserting “91-
 17 week”.

18 **SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGI-**
 19 **BILITY PERIOD.**

20 Section 233 of the Trade Act of 1974 (19 U.S.C.
 21 2293) is amended by adding at the end the following:

22 “(g) SPECIAL RULE FOR CALCULATING SEPARA-
 23 TION.—Notwithstanding any other provision of this chap-
 24 ter, any period during which a judicial or administrative
 25 appeal is pending with respect to the denial by the Sec-
 26 retary of a petition under section 223 shall not be counted

1 for purposes of calculating the period of separation under
 2 subsection (a)(2) or for purposes of calculating time peri-
 3 ods specified in section 231(a)(5)(A).

4 “(h) SPECIAL RULE FOR JUSTIFIABLE CAUSE.—The
 5 Secretary may extend the periods during which trade read-
 6 justment allowances are payable to an adversely affected
 7 worker under paragraphs (2) and (3) of subsection (a) and
 8 under subsection (f) (but not the maximum amounts of
 9 such allowances that are payable under this section), if
 10 the Secretary determines that there is justifiable cause for
 11 such an extension, such as the failure to provide the work-
 12 er with timely information, delays in certification due to
 13 administrative reconsideration or judicial review, or justifi-
 14 able breaks in training that exceed the period allowable
 15 under subsection (e).”.

16 **SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS**
 17 **ON GOOD CAUSE FOR WAIVER OF TIME LIM-**
 18 **ITS OR LATE FILING OF CLAIMS.**

19 Section 234 of the Trade Act of 1974 (19 U.S.C.
 20 2294) is amended—

21 (1) by striking “Except where inconsistent” and
 22 inserting “(a) IN GENERAL.—Except where incon-
 23 sistent”; and

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

1 “(b) STATE LAWS AND REGULATIONS ON GOOD
2 CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING
3 OF CLAIMS.—Any law or regulation of a cooperating State
4 under section 239 that allows for a waiver for good cause
5 of any time limit, including a waiver for good cause to
6 allow the late filing of any claim, for trade readjustment
7 allowances or other adjustment assistance under this
8 chapter shall, in the administration of the program by the
9 State under this chapter, apply to the applicable time limi-
10 tation referred to or specified in this chapter or any regu-
11 lation prescribed to carry out this chapter.”.

12 **SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERV-**
13 **ICES.**

14 (a) IN GENERAL.—Section 235 of the Trade Act of
15 1974 (19 U.S.C. 2295) is amended to read as follows:

16 **“SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERV-**
17 **ICES.**

18 “The Secretary shall provide, directly or through
19 agreements with States under section 239, to adversely
20 affected workers covered by a certification under sub-
21 chapter A of this chapter the following employment and
22 case management services:

23 “(1) Comprehensive and specialized assessment
24 of skill levels and service needs, including through—

1 “(A) diagnostic testing and use of other
2 assessment tools; and

3 “(B) in-depth interviewing and evaluation
4 to identify employment barriers and appropriate
5 employment goals.

6 “(2) Development of an individual employment
7 plan to identify employment goals and objectives,
8 and appropriate training to achieve those goals and
9 objectives.

10 “(3) Information on training available in local
11 and regional areas, information on individual coun-
12 seling to determine which training is suitable train-
13 ing, and information on how to apply for such train-
14 ing.

15 “(4) Information on how to apply for financial
16 aid, including referring workers to educational op-
17 portunity centers under section 402F of the Higher
18 Education Act of 1965, where applicable, and noti-
19 fying workers that the workers may ask financial aid
20 administrators at institutions of higher education to
21 allow use of their current year income in the finan-
22 cial aid process.

23 “(5) Short-term prevocational services, includ-
24 ing development of learning skills, communications
25 skills, interviewing skills, punctuality, personal main-

1 tenance skills, and professional conduct to prepare
2 individuals for employment or training.

3 “(6) Individual career counseling, including job
4 search and placement counseling, during the period
5 in which the individual is receiving a trade adjust-
6 ment allowance or training under this chapter, and
7 for purposes of job placement after receiving such
8 training.

9 “(7) Provision of employment statistics infor-
10 mation, including the provision of accurate informa-
11 tion relating to local, regional, and national labor
12 market areas, including—

13 “(A) job vacancy listings in such labor
14 market areas;

15 “(B) information on jobs skills necessary
16 to obtain jobs identified in job vacancy listings
17 described in subparagraph (A);

18 “(C) information relating to local occupa-
19 tions that are in demand and earnings potential
20 of such occupations; and

21 “(D) skills requirements for local occupa-
22 tions described in subparagraph (C).

23 “(8) Supportive services, including services re-
24 lating to child care, transportation, dependent care,
25 housing assistance, and need-related payments that

1 are necessary to enable an individual to participate
2 in training.”.

3 (b) CLERICAL AMENDMENT.—The item relating to
4 section 235 in the table of contents for title II of the
5 Trade Act of 1974 is amended to read as follows:

 “235. Employment and case management services.”.

6 **SEC. 127. TRAINING.**

7 (a) IN GENERAL.—Subsection (a)(1) of section 236
8 of the Trade Act of 1974 (19 U.S.C. 2296) is amended
9 by striking the last sentence.

10 (b) FUNDING.—Subsection (a)(2) of such section is
11 amended—

12 (1) in subparagraph (A), to read as follows:

13 “(A) The total amount of payments that may be
14 made under paragraph (1) for each of the fiscal years
15 2008 and 2009 shall not exceed \$440,000,000. The total
16 amount of payments that may be made under paragraph
17 (1) for fiscal year 2010 and each subsequent fiscal year
18 shall not exceed \$660,000,000.”; and

19 (2) by striking subparagraph (B) and inserting
20 the following:

21 “(B) Not later than 120 days after the date of the
22 enactment of the Trade and Globalization Act of 2007,
23 the Secretary shall establish and implement procedures for
24 the allocation among the States in each fiscal year of
25 funds available to pay the costs of training for workers

1 under this section. The Secretary shall, at least 60 days
2 before the date on which the procedures described in this
3 subparagraph are first implemented, consult with the
4 Committee on Ways and Means of the House of Rep-
5 resentatives and the Committee on Finance of the Senate
6 with respect to such procedures.

7 “(C) In establishing and implementing the proce-
8 dures under subparagraph (B), the Secretary shall—

9 “(i) provide for at least 3 distributions of funds
10 available for training in the fiscal year, and, in the
11 first such distribution, disburse not more than 50
12 percent of the total amount of funds available for
13 training in that fiscal year;

14 “(ii) consider using a broad range of factors for
15 the allocation of training funds distributed to States
16 for each fiscal year, including factors such as—

17 “(I) the number of workers certified under
18 sections 223 and 223A in the preceding fiscal
19 year;

20 “(II) the total number of workers certified
21 under sections 223 and 223A that are enrolled
22 in training approved under this section;

23 “(III) the minimum level of funding nec-
24 essary to provide training approved under this
25 section; and

1 “(IV) notifications under the Worker Ad-
2 justment and Retraining Notification Act or
3 other layoff notifications;

4 “(iii) after the initial distribution of training
5 funds to States at the beginning of each fiscal year,
6 provide for subsequent distributions of training
7 funds remaining, based on the factors described in
8 clause (ii) (but, in the case of the factor described
9 in subclause (I) of clause (ii), based on data from
10 the preceding 2 fiscal quarters) if a State requests
11 the distribution of the remaining funds;

12 “(iv) ensure that any final distribution of funds
13 during a fiscal year is made not later than July 1
14 of that fiscal year; and

15 “(v) develop an explicit policy for re-capture
16 and redistribution of training funds, to the extent
17 such re-capture and redistribution of training funds
18 is necessary.”.

19 (c) DETERMINATIONS REGARDING TRAINING.—Sub-
20 section (a)(9) of such section is amended—

21 (1) by striking “The Secretary” and inserting
22 “(A) Subject to subparagraph (B), the Secretary”;
23 and

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

1 “(B)(i) In determining under paragraph (1)(E)
 2 whether a worker is qualified to undertake and complete
 3 training, the Secretary may not disallow training for a pe-
 4 riod longer than the worker’s period of eligibility for trade
 5 readjustment allowances under part I if the worker dem-
 6 onstrates that the worker has sufficient financial resources
 7 to complete the training after the expiration of the work-
 8 er’s period of eligibility for such trade readjustment allow-
 9 ances.

10 “(ii) In determining the reasonable cost of training
 11 under paragraph (1)(F) with respect to a worker, the Sec-
 12 retary may consider whether other public or private funds
 13 are reasonably available to the worker, except that the
 14 Secretary may not require a worker to obtain such funds
 15 as a condition of approval of training under paragraph
 16 (1).”.

17 (d) DETERMINATIONS OF ELIGIBILITY BY STATE
 18 EMPLOYEES APPOINTED ON MERIT BASIS.—Such section
 19 is further amended—

20 (1) by redesignating subsections (e) and (f) as
 21 subsections (f) and (g), respectively; and

22 (2) by inserting after subsection (d) the fol-
 23 lowing:

24 “(e) DETERMINATIONS OF ELIGIBILITY BY STATE
 25 EMPLOYEES APPOINTED ON MERIT BASIS.—All deter-

1 minations of eligibility for training under this section shall
2 be made by employees of the State who are appointed on
3 a merit basis.”.

4 (e) GAO STUDY AND REPORT.—

5 (1) STUDY.—The Comptroller General of the
6 United States shall conduct a study of the proce-
7 dures for the allocation of training funds for workers
8 under subparagraphs (B) and (C) of section
9 236(a)(2) of the Trade Act of 1974 (19 U.S.C.
10 2296), as added by subsection (a) of this section,
11 that are established and implemented by the Sec-
12 retary of Labor pursuant to such section. In car-
13 rying out the study, the Comptroller General shall
14 examine the overall adequacy of funding for training
15 for workers by State and the effectiveness of the
16 procedures for allocating training funds between
17 States and among workers.

18 (2) REPORTS.—

19 (A) INTERIM REPORT.—The Comptroller
20 General of the United States shall submit to
21 the Committee on Ways and Means of the
22 House of Representatives and the Committee
23 on Finance of the Senate an interim report that
24 contains the results of the study conducted
25 under paragraph (1) for the first fiscal year

1 with respect to which the procedures described
 2 in paragraph (1) are implemented.

3 (B) FINAL REPORT.—The Comptroller
 4 General of the United States shall submit to
 5 the Committee on Ways and Means of the
 6 House of Representatives and the Committee
 7 on Finance of the Senate a final report that
 8 contains the results of the study conducted
 9 under paragraph (1) for the first three fiscal
 10 years with respect to which the procedures de-
 11 scribed in paragraph (1) are implemented.

12 **SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAIN-**
 13 **ING PROGRAMS.**

14 (a) IN GENERAL.—Section 236(a)(5) of the Trade
 15 Act of 1974 (19 U.S.C. 2296(a)(5)) is amended—

16 (1) in subparagraph (A)—

17 (A) by striking “and” at the end of clause
 18 (i);

19 (B) by adding “and” at the end of clause
 20 (ii); and

21 (C) by inserting after clause (ii) the fol-
 22 lowing:

23 “(iii) apprenticeship programs registered
 24 under the National Apprenticeship Act (29
 25 U.S.C. 50 et seq.),”;

1 (2) by redesignating subparagraphs (E) and
2 (F) as subparagraphs (F) and (G), respectively;

3 (3) by inserting after subparagraph (D) the fol-
4 lowing:

5 “(E) any program of prerequisite education or
6 coursework required to enroll in training that may
7 be approved under this section,”;

8 (4) in subparagraph (F)(ii), as redesignated by
9 paragraph (1), by striking “and” at the end;

10 (5) in subparagraph (G), as redesignated by
11 paragraph (1), by striking the period at the end and
12 inserting “, and”; and

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

14 “(H) any training program or coursework at an
15 accredited institution of higher education (as defined
16 in section 101(a) of the Higher Education Act of
17 1965), including a training program or coursework
18 for the purpose of—

19 “(i) obtaining a degree or certification; or

20 “(ii) completing a degree or certification

21 that the worker had previously begun at an ac-

22 credited institution of higher education.

23 The Secretary may not limit approval of a training pro-
24 gram under paragraph (1) to a program provided pursu-
25 ant to title I of the Workforce Investment Act of 1998.”.

1 (b) CONFORMING AMENDMENTS.—Section 233 of the
 2 Trade Act of 1974 (19 U.S.C. 2293) is amended—

3 (1) in subsection (a)(2), by inserting “pre-
 4 requisite education or” after “requires a program
 5 of”; and

6 (2) in subsection (f) (as redesignated by section
 7 121(d) of this Act), by inserting “prerequisite edu-
 8 cation or” after “includes a program of”.

9 **SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE**
 10 **AND PROGRAM BENEFITS WHILE IN TRAIN-**
 11 **ING.**

12 (a) IN GENERAL.—Section 236(d) of the Trade Act
 13 of 1974 (19 U.S.C. 2296(d)) is amended to read as fol-
 14 lows:

15 “(d) ELIGIBILITY.—A worker may not be determined
 16 to be ineligible or disqualified for unemployment insurance
 17 or program benefits under this subchapter—

18 “(1) because the worker—

19 “(A) is enrolled in training approved under
 20 subsection (a); or

21 “(B) left work—

22 “(i) that was not suitable employment
 23 to enter such training; or

24 “(ii) that the worker engaged in on a
 25 temporary basis during a break in such

1 training or a delay in the commencement
 2 of such training; or

3 “(2) because the provisions of State law or Fed-
 4 eral unemployment insurance law relating to avail-
 5 ability for work, active search for work, or refusal to
 6 accept work apply to a week of training approved
 7 under subsection (a).”.

8 (b) DEFINITION.—Subchapter B of chapter 2 of title
 9 II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.) is
 10 amended—

11 (1) in section 233(d) (as redesignated by sec-
 12 tion 121(d) of this Act), by inserting “suitable” be-
 13 fore “on-the-job training”; and

14 (2) in section 236—

15 (A) by inserting “suitable” before “on-the-
 16 job training” each place it appears; and

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

18 “(h) SUITABLE ON-THE-JOB TRAINING.—For pur-
 19 poses of this section, the term ‘suitable on-the-job train-
 20 ing’ means on-the-job training—

21 “(1) that can reasonably be expected to lead to
 22 suitable employment;

23 “(2) that is compatible with the skills of the
 24 worker;

25 “(3) that—

1 “(A) involves a curriculum through which
2 the worker learns the skills necessary for the
3 job for which the worker is being trained; and

4 “(B) can be measured by benchmarks that
5 indicate that the worker is learning such skills;
6 and

7 “(4) that is certified by the State as an on-the-
8 job training program that meets the requirements of
9 paragraph (3).”.

10 **SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT**
11 **AND CASE MANAGEMENT SERVICES.**

12 (a) IN GENERAL.—Part II of subchapter B of chap-
13 ter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295
14 et seq.) is amended by inserting after section 236 the fol-
15 lowing:

16 **“SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE**
17 **EXPENSES AND EMPLOYMENT AND CASE**
18 **MANAGEMENT SERVICES.**

19 “(a) ADMINISTRATIVE EXPENSES.—

20 “(1) IN GENERAL.—The Secretary shall provide
21 to each State that receives a payment under section
22 236 for a fiscal year an additional payment for such
23 fiscal year in an amount that is not less than 15
24 percent of the amount of the payment under section
25 236.

1 “(2) USE OF FUNDS.—A State that receives an
2 additional payment under paragraph (1) shall use
3 the payment for administration of the trade adjust-
4 ment assistance for workers program under this
5 chapter, including for—

6 “(A) processing of waivers of training re-
7 quirements under section 231;

8 “(B) collecting of data required under this
9 chapter; and

10 “(C) providing services under section 235.

11 “(3) ADMINISTRATION REQUIREMENT.—Funds
12 provided to a State under this subsection for a fiscal
13 year that are in excess of the amount of funds pro-
14 vided to the State for administration of the trade
15 adjustment assistance for workers program under
16 this chapter for fiscal year 2007 may only be admin-
17 istered by employees of the State who are appointed
18 on a merit basis.

19 “(b) ADDITIONAL FUNDING FOR EMPLOYMENT AND
20 CASE MANAGEMENT SERVICES.—

21 “(1) IN GENERAL.—The Secretary shall provide
22 to each State that receives a payment under section
23 236 for a fiscal year an additional payment for such
24 fiscal year in an amount that is not less than .06
25 percent of the total amount of payments that may

1 be made in that fiscal year as described in section
2 236(a)(2).

3 “(2) USE OF FUNDS.—A State that receives an
4 additional payment under paragraph (1) shall use
5 the payment for providing services under section
6 235.

7 “(3) ADMINISTRATION REQUIREMENT.—Funds
8 provided to a State under this subsection may only
9 be administered by employees of the State who are
10 appointed on a merit basis.

11 “(c) FUNDING.—Funds provided to the States under
12 this section shall not be counted toward the limitation con-
13 tained in section 236(a)(2)(A).”.

14 (b) CLERICAL AMENDMENT.—The table of contents
15 for title II of the Trade Act of 1974 is amended by insert-
16 ing after the item relating to section 236 the following:

“Sec. 236A. Additional payments for administrative expenses and employment
and case management services.”.

17 **SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.**

18 (a) JOB SEARCH ALLOWANCES.—Section 237 of the
19 Trade Act of 1974 (19 U.S.C. 2297) is amended—

20 (1) in subsection (a)(2)(C)(ii), by striking “,
21 unless the worker received a waiver under section
22 231(c)”; and

23 (2) in subsection (b)—

1 (A) in paragraph (1), by striking “90 per-
 2 cent of the cost of” and inserting “all”; and

3 (B) in paragraph (2), by striking “\$1,250”
 4 and inserting “\$1,500”.

5 (b) RELOCATION ALLOWANCES.—Section 238 of the
 6 Trade Act of 1974 (19 U.S.C. 2298) is amended—

7 (1) in subsection (a)(2)(E)(ii), by striking “,
 8 unless the worker received a waiver under section
 9 231(c)”; and

10 (2) in subsection (b)—

11 (A) in paragraph (1), by striking “90 per-
 12 cent of the” and inserting “all”; and

13 (B) in paragraph (2), by striking “\$1,250”
 14 and inserting “\$1,500”.

15 **Subtitle D—Health Care Provisions**

16 **SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE**

17 **ASSISTANCE FOR CERTAIN TAA AND PBGC**

18 **PENSION RECIPIENTS.**

19 (a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

20 (1) IN GENERAL.—Subsection (a) of section 35
 21 of the Internal Revenue Code of 1986 is amended by
 22 striking “65 percent” and inserting “85 percent”.

23 (2) CONFORMING AMENDMENT.—Subsection (b)
 24 of section 7527 of such Code is amended by striking
 25 “65 percent” and inserting “85 percent”.

1 (b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT
 2 COMPENSATION AND NOT ENROLLED IN TRAINING PRO-
 3 GRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section
 4 35(c) of such Code is amended to read as follows:

5 “(2) ELIGIBLE TAA RECIPIENT.—The term ‘eli-
 6 gible TAA recipient’ means, with respect to any
 7 month, any individual who—

8 “(A) is receiving for any day of such
 9 month a trade readjustment allowance under
 10 chapter 2 of title II of the Trade Act of 1974,
 11 or

12 “(B) who is receiving unemployment com-
 13 pensation (as defined in section 85) for such
 14 month and who would be eligible to receive such
 15 allowance for such month if section 231 of such
 16 Act were applied without regard to subsections
 17 (a)(3)(B) and (a)(5) thereof.

18 An individual shall continue to be treated as an eli-
 19 gible TAA recipient during the first month that such
 20 individual would otherwise cease to be an eligible
 21 TAA recipient by reason of the preceding sentence.”.

22 (c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE
 23 RETROACTIVE TO TAA-RELATED LOSS OF EMPLOY-
 24 MENT.—Subsection (c) of section 35 of such Code is

1 amended by adding at the end the following new para-
 2 graph:

3 “(5) RETROACTIVE ELIGIBILITY FOR TAA RE-
 4 CIPIENTS.—In the case of any individual who is an
 5 eligible TAA recipient or eligible alternative TAA re-
 6 cipient for any month, such individual shall be treat-
 7 ed as an eligible individual for any month which pre-
 8 cedes such month and which begins after the later
 9 of—

10 “(A) the date of the separation from em-
 11 ployment which gives rise to such individual
 12 being an eligible TAA recipient or eligible alter-
 13 native TAA recipient, or

14 “(B) December 31, 2007.”.

15 (d) CONTINUED QUALIFICATION OF FAMILY MEM-
 16 BERS AFTER CERTAIN EVENTS.—

17 (1) IN GENERAL.—Subsection (g) of section 35
 18 of such Code is amended by redesignating paragraph
 19 (9) as paragraph (10) and inserting after paragraph
 20 (8) the following new paragraph:

21 “(9) CONTINUED QUALIFICATION OF FAMILY
 22 MEMBERS AFTER CERTAIN EVENTS.—

23 “(A) MEDICARE ELIGIBILITY.—In the case
 24 of any month which would be an eligible cov-
 25 erage month with respect to an eligible indi-

1 vidual but for subsection (f)(2)(A), such month
2 shall be treated as an eligible coverage month
3 with respect to such eligible individual solely for
4 purposes of determining the amount of the
5 credit under this section with respect to any
6 qualifying family members of such individual
7 (and any advance payment of such credit under
8 section 7527). This subparagraph shall only
9 apply with respect to the first 36 months after
10 such eligible individual is first entitled to the
11 benefits described in subsection (f)(2)(A).

12 “(B) DIVORCE.—In the case of the final-
13 ization of a divorce between an eligible indi-
14 vidual and such individual’s spouse, such spouse
15 shall be treated as an eligible individual for pur-
16 poses of this section and section 7527 for a pe-
17 riod of 36 months beginning with the date of
18 such finalization, except that the only qualifying
19 family members who may be taken into account
20 with respect to such spouse are those individ-
21 uals who were qualifying family members imme-
22 diately before such finalization.

23 “(C) DEATH.—In the case of the death of
24 an eligible individual—

1 “(i) any spouse of such individual (de-
2 termined at the time of such death) shall
3 be treated as an eligible individual for pur-
4 poses of this section and section 7527 for
5 a period of 36 months beginning with the
6 date of such death, except that the only
7 qualifying family members who may be
8 taken into account with respect to such
9 spouse are those individuals who were
10 qualifying family members immediately be-
11 fore such death, and

12 “(ii) any individual who was a quali-
13 fying family member of the decedent imme-
14 diately before such death (or, in the case
15 of an individual to whom paragraph (4)
16 applies, the taxpayer to whom the deduc-
17 tion under section 151 is allowable) shall
18 be treated as an eligible individual for pur-
19 poses of this section and section 7527 for
20 a period of 36 months beginning with the
21 date of such death, except that in deter-
22 mining the amount of such credit only
23 such qualifying family member may be
24 taken into account.”.

1 (2) CONFORMING AMENDMENT.—Section 173(f)
2 of the Workforce Investment Act of 1998 (29 U.S.C.
3 2918(f)) is amended by adding at the end the fol-
4 lowing:

5 “(8) CONTINUED QUALIFICATION OF FAMILY
6 MEMBERS AFTER CERTAIN EVENTS.—

7 “(A) MEDICARE ELIGIBILITY.—In the case
8 of any month which would be an eligible cov-
9 erage month with respect to an eligible indi-
10 vidual but for paragraph (7)(B)(i), such month
11 shall be treated as an eligible coverage month
12 with respect to such eligible individual solely for
13 purposes of determining the eligibility of quali-
14 fying family members of such individual under
15 this subsection. This subparagraph shall only
16 apply with respect to the first 36 months after
17 such eligible individual is first entitled to the
18 benefits described in paragraph (7)(B)(i).

19 “(B) DIVORCE.—In the case of the final-
20 ization of a divorce between an eligible indi-
21 vidual and such individual’s spouse, such spouse
22 shall be treated as an eligible individual for pur-
23 poses of this subsection for a period of 36
24 months beginning with the date of such final-
25 ization, except that the only qualifying family

1 members who may be taken into account with
2 respect to such spouse are those individuals who
3 were qualifying family members immediately be-
4 fore such finalization.

5 “(C) DEATH.—In the case of the death of
6 an eligible individual—

7 “(i) any spouse of such individual (de-
8 termined at the time of such death) shall
9 be treated as an eligible individual for pur-
10 poses of this subsection for a period of 36
11 months beginning with the date of such
12 death, except that the only qualifying fam-
13 ily members who may be taken into ac-
14 count with respect to such spouse are those
15 individuals who were qualifying family
16 members immediately before such death,
17 and

18 “(ii) any individual who was a quali-
19 fying family member of the decedent imme-
20 diately before such death shall be treated
21 as an eligible individual for purposes this
22 subsection for a period of 36 months be-
23 ginning with the date of such death, except
24 that no qualifying family members may be

1 taken into account with respect to such in-
2 dividual.”.

3 (e) 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 or an eligible alternative TAA re-
16 cipient, has (as of the date on which the
17 individual seeks to enroll in the coverage
18 described in subparagraphs (B) through
19 (H) of paragraph (1)) a period of cred-
20 itable coverage (as defined in section
21 9801(c)), or

22 “(ii) in the case of an eligible PBGC
23 pension recipient, enrolls in such coverage
24 during the 90-day period beginning on the
25 later of—

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

5 “(II) the date of the enactment
 6 of this subparagraph.”.

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

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

19 “(I) in the case of an eligible
 20 TAA recipient or an eligible alter-
 21 native TAA recipient, has (as of the
 22 date on which the individual seeks to
 23 enroll in the coverage described in
 24 clauses (ii) through (viii) of subpara-
 25 graph (A)) a period of creditable cov-

1 erage (as defined in section 9801(c) of
2 such Code), or

3 “(II) in the case of an eligible
4 PBGC pension recipient, enrolls in
5 such coverage during the 90-day pe-
6 riod beginning on the later of—

7 “(aa) the last day of the
8 first month with respect to which
9 such recipient becomes an eligible
10 PBGC pension recipient, or

11 “(bb) the date of the enact-
12 ment of this clause.”.

13 (3) OUTREACH.—The Secretary of the Treas-
14 ury shall carry out a program to notify individuals
15 prior to their becoming eligible PBGC pension re-
16 cipients (as defined in section 35 of the Internal
17 Revenue Code of 1986) of the requirement of sub-
18 section (e)(2)(B)(ii) of such section, as added by this
19 subsection.

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

23 (1) IRC AMENDMENT.—Section 9801(c)(2) of
24 the Internal Revenue Code of 1986 (relating to not
25 counting periods before significant breaks in cred-

itable coverage) is amended by adding at the end the following new subparagraph:

“(D) TAA-ELIGIBLE INDIVIDUALS.—

“(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

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

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

1 “(C) TAA-ELIGIBLE INDIVIDUALS.—

2 “(i) TAA PRE-CERTIFICATION PERIOD
3 RULE.—In the case of a TAA-eligible indi-
4 vidual, the period beginning on the date
5 the individual has a TAA-related loss of
6 coverage and ending on the date that is 5
7 days after the postmark date of the notice
8 by the Secretary (or by any person or enti-
9 ty designated by the Secretary) that the
10 individual is eligible for a qualified health
11 insurance costs credit eligibility certificate
12 for purposes of section 7527 of the Inter-
13 nal Revenue Code of 1986 shall not be
14 taken into account in determining the con-
15 tinuous period under subparagraph (A).

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

20 (3) PHSA AMENDMENT.—Section 2701(c)(2)
21 of the Public Health Service Act (42 U.S.C.
22 300gg(c)(2)) is amended by adding at the end the
23 following new subparagraph:

24 “(C) TAA-ELIGIBLE INDIVIDUALS.—

1 “(i) TAA PRE-CERTIFICATION PERIOD
 2 RULE.—In the case of a TAA-eligible indi-
 3 vidual, the period beginning on the date
 4 the individual has a TAA-related loss of
 5 coverage and ending on the date that is 5
 6 days after the postmark date of the notice
 7 by the Secretary (or by any person or enti-
 8 ty designated by the Secretary) that the
 9 individual is eligible for a qualified health
 10 insurance costs credit eligibility certificate
 11 for purposes of section 7527 of the Inter-
 12 nal Revenue Code of 1986 shall not be
 13 taken into account in determining the con-
 14 tinuous period under subparagraph (A).

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

19 (g) RATING SYSTEM REQUIREMENT FOR CERTAIN
 20 STATE-BASED COVERAGE.—

21 (1) IN GENERAL.—Subparagraph (A) of section
 22 35(e)(2) of such Code is amended by adding at the
 23 end the following new clause:

24 “(v) RATING SYSTEM REQUIRE-
 25 MENT.—In the case of coverage described

1 in paragraph (1)(F)(ii), the premiums for
2 such coverage are restricted, based on a
3 community rating system with respect to
4 eligible individuals and their qualifying
5 family members, or based on a rate-band
6 system under which the maximum rate
7 which may be charged does not exceed 150
8 percent of the standard rate with respect
9 to eligible individuals and their qualifying
10 family members.”.

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

15 “(V) RATING SYSTEM REQUIRE-
16 MENT.—In the case of coverage de-
17 scribed in subparagraph (A)(vi)(II),
18 the premiums for such coverage are
19 restricted, based on a community rat-
20 ing system with respect to eligible in-
21 dividuals and their qualifying family
22 members, or based on a rate-band
23 system under which the maximum
24 rate which may be charged does not
25 exceed 150 percent of the standard

1 rate with respect to eligible individuals
2 and their qualifying family mem-
3 bers.”.

4 (h) TERMINATION OF PROGRAM.—

5 (1) IN GENERAL.—Section 35 of such Code is
6 amended by adding at the end the following new
7 subsection:

8 “(h) TERMINATION.—An individual shall not be
9 treated as an eligible individual for purposes of this section
10 or section 7527 for any month beginning after December
11 31, 2009, unless such individual was an eligible individual
12 for a continuous period of months ending with such month
13 and beginning before such date.”.

14 (2) CONFORMING AMENDMENT.—Subsection (f)
15 of section 173 of the Workforce Investment Act of
16 1998 (29 U.S.C. 2918) is amended by adding at the
17 end the following new paragraph:

18 “(8) TERMINATION.—An individual shall not be
19 treated as an eligible individual for purposes of this
20 subsection for any month beginning after December
21 31, 2009, unless such individual was an eligible indi-
22 vidual for a continuous period of months ending with
23 such month and beginning before such date.”.

24 (i) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection, the amendments made by
3 this section shall apply to months beginning after
4 December 31, 2007, in taxable years ending after
5 such date.

6 (2) RATING SYSTEM REQUIREMENT.—The
7 amendments made by subsection (g) shall apply to
8 months beginning after March 31, 2008, in taxable
9 years ending after such date.

10 (3) DISCRETION TO DELAY EFFECTIVE DATE
11 FOR PURPOSES OF ADVANCE PAYMENT PROGRAM.—
12 Solely for purposes of carrying out the advance pay-
13 ment program under section 7527, the Secretary
14 may provide that one or more amendments made by
15 subsections (b), (c), and (d) shall not apply to one
16 or more months beginning before March 31, 2008,
17 to the extent that the Secretary determines that
18 such delay is necessary to properly implement any
19 such amendment as part of such program.

20 (j) GAO STUDY AND REPORT.—

21 (1) STUDY.—The Comptroller General of the
22 United States shall conduct a study regarding the
23 health insurance tax credit allowed under section 35
24 of the Internal Revenue Code of 1986.

1 (2) REPORT.—Not later than March 1, 2009,
2 the Comptroller General shall submit a report to
3 Congress regarding the results of the study con-
4 ducted under paragraph (1). Such report shall in-
5 clude an analysis of—

6 (A) the administrative costs—

7 (i) of the Federal Government with
8 respect to such credit and the advance pay-
9 ment of such credit under section 7527 of
10 such Code, and

11 (ii) of providers of qualified health in-
12 surance with respect to providing such in-
13 surance to eligible individuals and their
14 qualifying family members,

15 (B) the health status and relative risk sta-
16 tus of eligible individuals and qualifying family
17 members covered under such insurance,

18 (C) participation in such credit and the ad-
19 vance payment of such credit by eligible individ-
20 uals and their qualifying family members, in-
21 cluding the reasons why such individuals did or
22 did not participate and the effect of the amend-
23 ments made by this section on such participa-
24 tion, and

1 (D) the extent to which eligible individuals
2 and their qualifying family members—

3 (i) obtained health insurance other
4 than qualifying health insurance, or

5 (ii) went without health insurance cov-
6 erage.

7 (3) ACCESS TO RECORDS.—For purposes of
8 conducting the study required under this subsection,
9 the Comptroller General and any of his duly author-
10 ized representatives shall have access to, and the
11 right to examine and copy, all documents, records,
12 and other recorded information—

13 (A) within the possession or control of pro-
14 viders of qualified health insurance, and

15 (B) determined by the Comptroller General
16 (or any such representative) to be relevant to
17 the study.

18 The Comptroller General shall not disclose the iden-
19 tity of any provider of qualified health insurance or
20 any eligible individual in making any information ob-
21 tained under this section available to the public.

22 (4) DEFINITIONS.—Any term which is defined
23 in section 35 of the Internal Revenue Code of 1986
24 shall have the same meaning when used in this sub-
25 section.

1 **Subtitle E—Wage Insurance**

2 **SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-**
3 **ANCE PROGRAM FOR OLDER WORKERS.**

4 (a) IN GENERAL.—Section 246 of the Trade Act of
5 1974 (19 U.S.C. 2318) is amended—

6 (1) by amending the heading to read as follows:

7 **“REEMPLOYMENT TRADE ADJUSTMENT AS-**
8 **SISTANCE”**;

9 (2) in subsection (a)—

10 (A) in paragraph (1), by striking “alter-
11 native” and inserting “reemployment”;

12 (B) in paragraph (2)(A), by striking “for
13 a period not to exceed 2 years” and inserting
14 “for the eligibility period under paragraph
15 (3)(C)”;

16 (C) by striking paragraphs (3) through (5)
17 and inserting the following:

18 **“(3) ELIGIBILITY.—**

19 **“(A) IN GENERAL.—**A group of workers
20 certified under subchapter A as eligible for ad-
21 justment assistance under subchapter A is eligi-
22 ble for benefits described in paragraph (2)
23 under the program established under paragraph
24 (1).

“(B) INDIVIDUAL ELIGIBILITY.—A worker in a group of workers described in subparagraph (A) may elect to receive benefits described in paragraph (2) under the program established under paragraph (1) if the worker—

“(i) is at least 50 years of age;

“(ii) earns not more than \$60,000 each year in wages from reemployment;

“(iii)(I) is employed on a full-time basis as defined by State law in the State in which the worker is employed; or

“(II) is employed at least 20 hours per week and is enrolled in training approved under section 236; and

“(iv) does not return to the employment from which the worker was separated.

In the case of a worker described in clause (iii)(II), the percentage referred to in paragraph (2)(A) shall be deemed to be a percentage equal to $\frac{1}{2}$ of the ratio of weekly hours of employment referred to in clause (iii)(II) to weekly hours of employment of that worker at the time of separation (but not more than 50 percent).

1 “(C) ELIGIBILITY PERIOD FOR PAY-
2 MENTS.—A worker in a group of workers de-
3 scribed in subparagraph (A) may receive pay-
4 ments described in paragraph (2)(A) under the
5 program established under paragraph (1) for a
6 period not to exceed 2 years from the date on
7 which the worker exhausts all rights to unem-
8 ployment insurance based on the separation of
9 the worker from adversely affected employment
10 or the date on which the worker obtains reem-
11 ployment, whichever is earlier.

12 “(D) TRAINING.—A worker described in
13 subparagraph (B) shall be eligible to receive
14 training approved under section 236.

15 “(4) TOTAL AMOUNT OF PAYMENTS.—The pay-
16 ments described in paragraph (2)(A) made to a
17 worker may not exceed \$12,000 per worker during
18 the eligibility period under paragraph (3)(C).

19 “(5) LIMITATION ON OTHER BENEFITS.—A
20 worker described in paragraph (3) may not receive
21 a trade readjustment allowance under part I of sub-
22 chapter B during any week for which the worker re-
23 ceives a payment described in paragraph (2)(A).”;
24 and

1 (3) in subsection (b)(2), by striking “subsection
2 (a)(3)(B)” and inserting “subsection (a)(3)”.

3 (b) EXTENSION OF PROGRAM.—Subsection (b)(1) of
4 such section is amended by striking “5” and inserting
5 “10”.

6 (c) CLERICAL AMENDMENT.—The table of contents
7 for title II of the Trade Act of 1974 is amended by strik-
8 ing the item relating to section 246 and inserting the fol-
9 lowing:

“Sec. 246. Reemployment trade adjustment assistance program.”.

10 **Subtitle F—Other Matters**

11 **SEC. 161. AGREEMENTS WITH STATES.**

12 (a) IN GENERAL.—Subsection (a) of section 239 of
13 the Trade Act of 1974 (19 U.S.C. 2311) is amended—

14 (1) by striking “will” each place it appears and
15 inserting “shall”; and

16 (2) in clause (2), to read as follows: “(2) in ac-
17 cordance with subsection (f), shall provide adversely
18 affected workers covered by a certification under
19 subchapter A the employment and case management
20 services described in section 235”.

21 (b) OUTREACH.—Subsection (f) of such section is
22 amended—

23 (1) in paragraph (3), by striking “and” at the
24 end;

1 (2) by striking paragraph (4) and inserting the
2 following:

3 “(4) perform outreach, intake (which may in-
4 clude worker profiling) and orientation for assistance
5 and benefits available under this chapter for ad-
6 versely affected workers covered by a certification
7 under subchapter A of this chapter, and”; and

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

9 “(5) provide adversely affected workers covered
10 by a certification under subchapter A of this chapter
11 with employment and case management services de-
12 scribed in section 235.”.

13 **SEC. 162. FRAUD AND RECOVERY OF OVERPAYMENTS.**

14 Section 243(a)(1) of the Trade Act of 1974 (19
15 U.S.C. 2315(a)(1)) is amended—

16 (1) in the matter preceding subparagraph (A)—

17 (A) by striking “may waive” and inserting
18 “shall waive”; and

19 (B) by striking “, in accordance with
20 guidelines prescribed by the Secretary,” and

21 (2) in subparagraph (B), by striking “would be
22 contrary to equity and good conscience” and insert-
23 ing “would cause a financial hardship for the indi-
24 vidual (or the individual’s household, if applicable)
25 when taking into consideration the income and re-

1 sources reasonably available to the individual (or
 2 household) and other ordinary living expenses of the
 3 individual (or household)’’.

4 **SEC. 163. TECHNICAL AMENDMENTS.**

5 (a) IN GENERAL.—Section 249 of the Trade Act of
 6 1974 (19 U.S.C. 2321) is amended—

7 (1) in the heading, by striking “**SUBPENNA**”
 8 and inserting “**SUBPOENA**”; and

9 (2) in the text, by striking “subpena” and in-
 10 serting “subpoena” each place it appears.

11 (b) CLERICAL AMENDMENT.—The item relating to
 12 section 249 in the table of contents for title II of the
 13 Trade Act of 1974 is amended to read as follows:

“249. Subpoena power.”.

14 **SEC. 164. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
 15 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
 16 **ADJUSTMENT ASSISTANCE.**

17 (a) IN GENERAL.—Subchapter C of chapter 2 of title
 18 II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is
 19 amended by adding at the end the following:

20 **“SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
 21 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
 22 **ADJUSTMENT ASSISTANCE.**

23 “(a) ESTABLISHMENT.—There is established in the
 24 Department of Labor an office to be known as the Office

1 of Trade Adjustment Assistance (hereinafter in this sec-
2 tion referred to as the ‘Office’).

3 “(b) HEAD OF OFFICE.—The head of the Office shall
4 be the Deputy Assistant Secretary for Trade Adjustment
5 Assistance (hereinafter in this section referred to as the
6 ‘Deputy Assistant Secretary’), who shall be appointed by
7 the President, by and with the advice and consent of the
8 Senate.

9 “(c) PRINCIPLE FUNCTIONS.—The principle func-
10 tions of the Deputy Assistant Secretary shall be—

11 “(1) to oversee and implement the administra-
12 tion of trade adjustment assistance for workers
13 under this chapter; and

14 “(2) to carry out functions delegated to the
15 Secretary of Labor under this chapter, including—

16 “(A) making determinations under section
17 223 or 223A;

18 “(B) providing information about the pro-
19 gram and assisting groups of workers and other
20 parties to prepare petitions or applications for
21 program benefits under section 225;

22 “(C) ensuring workers covered by a certifi-
23 cation receive the employment services de-
24 scribed in section 235;

1 “(D) ensuring States fully comply with
2 agreements under section 239;

3 “(E) acting as a vigorous advocate for
4 workers applying for assistance under this
5 chapter;

6 “(F) receiving complaints, grievances, and
7 requests for assistance from workers under this
8 chapter;

9 “(G) establishing and overseeing a hotline
10 that workers, employers, and other entities may
11 call to obtain information regarding eligibility
12 criteria, procedural requirements, and benefits
13 available under this chapter; and

14 “(H) carrying out such other duties with
15 respect to this chapter as the President may
16 specify for purposes of this section.”.

17 (b) CLERICAL AMENDMENT.—The table of contents
18 for title II of the Trade Act of 1974 is amended by insert-
19 ing after the item relating to section 249 the following:

 “Sec. 250. Office of Trade Adjustment Assistance; Deputy Assistant Secretary
 for Trade Adjustment Assistance.”.

20 **SEC. 165. COLLECTION OF DATA AND REPORTS; INFORMA-**
21 **TION TO WORKERS.**

22 (a) IN GENERAL.—Subchapter C of chapter 2 of title
23 II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is
24 amended by adding at the end the following:

1 **“SEC. 250A. COLLECTION OF DATA AND REPORTS; INFOR-**
2 **MATION TO WORKERS.**

3 “(a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of the Trade and Globalization Act
5 of 2007, the Secretary shall implement a system to collect
6 and publicly disseminate data on all adversely affected
7 workers who apply for or receive adjustment assistance
8 under this chapter.

9 “(b) DATA TO BE INCLUDED.—The system required
10 under subsection (a) shall include collection of the fol-
11 lowing data classified by State, industry, and nationwide
12 totals:

13 “(1) The number of petitions and number of
14 workers covered by petitions filed, certified and de-
15 nied.

16 “(2) The date of filing of each petition and the
17 date of the determination, and the average proc-
18 essing time, by year, on petitions.

19 “(3) A breakdown, by the claimed cause of dis-
20 location, of petitions denied, such as increased im-
21 ports, shift in production, and other bases for eligi-
22 bility.

23 “(4) A breakdown of the number of certified
24 petitions by the cause of dislocation, such as in-
25 crease in imports, shift in production, and other
26 causes of eligibility for adjustment assistance.

1 “(5) The number of workers participating in
2 any aspect of the adjustment assistance program
3 under this chapter.

4 “(6) Reemployment rates and sectors in which
5 dislocated workers have been employed after receiv-
6 ing adjustment assistance under this chapter.

7 “(7) The type of adjustment assistance received
8 under this chapter, such as training or education as-
9 sistance, reemployment adjustment assistance, cash
10 benefits, health coverage, and relocation allowances,
11 the number of workers receiving each type of assist-
12 ance, and the average duration of time workers re-
13 ceive each type of assistance.

14 “(8) The fields of training or education in
15 which workers receiving training or education bene-
16 fits under this chapter are enrolled, the number of
17 workers participating in each field, classified by
18 major types of training or education.

19 “(9) The number of workers leaving training
20 before completing a course of training or education,
21 classified by the cause for early termination.

22 “(10) The number of training waivers granted,
23 classified by type of waiver.

24 “(11) The wages of workers before separation
25 and any job obtained after receiving benefits under

1 the trade adjustment assistance program under this
2 chapter.

3 “(12) The average duration of training that
4 was completed.

5 “(c) REPORT.—Not later than 16 months after the
6 date of the enactment of the Trade and Globalization Act
7 of 2007, and annually thereafter, the Secretary shall sub-
8 mit to the Committee on Ways and Means of the House
9 of Representatives, the Committee on Finance of the Sen-
10 ate, and any other congressional committee of appropriate
11 jurisdiction, a report on whether changes to eligibility re-
12 quirements, benefits, or training funding under the trade
13 adjustment assistance program under this chapter should
14 be made based on the data collected under subsection (b).

15 “(d) AVAILABILITY ON WEBSITE OF THE DEPART-
16 MENT OF LABOR.—The Secretary shall make the data col-
17 lected under subsection (b) publicly available on the
18 website of the Department of Labor, in a searchable for-
19 mat, and shall update the data quarterly.”.

20 (b) CLERICAL AMENDMENT.—The table of contents
21 for title II of the Trade Act of 1974 is amended by insert-
22 ing after the item relating to section 250 (as added by
23 section 163(b) of this Act) the following:

“Sec. 250A. Collection of data and reports; information to workers.”.

1 **SEC. 166. EXTENSION OF TAA PROGRAM.**

2 (a) FOR WORKERS.—Section 245(a) of the Trade Act
3 of 1974 (19 U.S.C. 2317(a)) is amended by striking “De-
4 cember 31, 2007” and inserting “September 30, 2012”.

5 (b) TERMINATION.—Section 285 of the Trade Act of
6 1974 (19 U.S.C. 2271 note) is amended by striking “De-
7 cember 31, 2007” each place it appears and inserting
8 “September 30, 2012”.

9 (c) FOR FARMERS.—Section 298(a) of the Trade Act
10 of 1974 (19 U.S.C. 2401g(a)) is amended by adding at
11 the end the following: “There are authorized to be appro-
12 priated to the Department of Agriculture not to exceed
13 \$81,000,000 for the 9-month period beginning on January
14 1, 2008, and \$90,000,000 for each of the fiscal years 2009
15 through 2012 to carry out the purposes of this chapter.”.

16 **SEC. 167. JUDICIAL REVIEW.**

17 Section 284 of the Trade Act of 1974 (19 U.S.C.
18 2395) is amended—

19 (1) in subsection (a)—

20 (A) by inserting “or 223A” after “223”;

21 and

22 (B) by striking “271” and inserting
23 “273”;

24 (2) by amending subsection (b) to read as fol-
25 lows:

1 “(b) STANDARD OF REVIEW.—The Court of Inter-
2 national Trade shall have jurisdiction to review the case
3 as provided in section 706 of title 5, United States Code.
4 The findings of fact by the Secretary of Labor, the Sec-
5 retary of Commerce, or the Secretary of Agriculture, as
6 the case may be, must be supported by substantial evi-
7 dence and must be based on a reasonable investigation.
8 The Court of International Trade may—

9 “(1) remand the case to such Secretary to take
10 further evidence; or

11 “(2) reverse the action of such Secretary.

12 If the case is remanded under paragraph (1), the Sec-
13 retary concerned may make new or modified findings of
14 fact and may modify the Secretary’s previous action, and
15 shall certify to the court the record of the further pro-
16 ceedings. The new or modified findings of fact must be
17 supported by substantial evidence and must be based on
18 a reasonable investigation.”; and

19 (3) in subsection (c), by striking the first sen-
20 tence.

21 **SEC. 168. LIBERAL CONSTRUCTION OF CERTIFICATION OF**
22 **WORKERS AND FIRMS.**

23 (a) IN GENERAL.—Chapter 5 of title II of the Trade
24 Act of 1974 (19 U.S.C. 2391 et seq.) is amended by add-
25 ing at the end the following:

1 **“SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF**
 2 **WORKERS AND FIRMS.**

3 “The provisions of chapter 2 (relating to adjustment
 4 assistance for workers) and the provisions of chapter 3
 5 (relating to adjustment assistance for firms) shall be lib-
 6 erally construed in favor of certifying workers for assist-
 7 ance under such chapter 2 and certifying firms for assist-
 8 ance under such chapter 3.”.

9 (b) CLERICAL AMENDMENT.—The table of contents
 10 for title II of the Trade Act of 1974 is amended by insert-
 11 ing after the item relating to section 287 the following:

“Sec. 288. Liberal construction of certification of workers and firms.”.

12 **TITLE II—TRADE ADJUSTMENT**
 13 **ASSISTANCE FOR FIRMS**

14 **SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.**

15 (a) IN GENERAL.—Section 251 of the Trade Act of
 16 1974 (19 U.S.C. 2341) is amended—

17 (1) in subsection (a), by inserting “or service
 18 sector firm” after “(including any agricultural
 19 firm”;

20 (2) in subsection (c)—

21 (A) in paragraph (1)—

22 (i) in the matter preceding subpara-
 23 graph (A), by inserting “or service sector
 24 firm” after “any agricultural firm”; and

25 (ii) in subparagraph (B)—

1 (I) in clause (i), by striking “,
2 or” and inserting a comma;

3 (II) in clause (ii)—

4 (aa) by inserting “or serv-
5 ice” after “of an article”; and

6 (bb) by striking “, and” and
7 inserting a comma; and

8 (III) by adding at the end the
9 following:

10 “(iii) sales or production, or both, of
11 the firm, during the period consisting of
12 not more than 36 months preceding the
13 most recent 12-month period for which
14 data are available, have decreased abso-
15 lutely, or

16 “(iv) sales or production, or both, of
17 an article or service that accounted for not
18 less than 25 percent of the total produc-
19 tion or sales of the firm during the 36-
20 month period preceding the most recent
21 12-month period for which data are avail-
22 able have decreased absolutely, and”; and

23 (B) in the matter preceding subparagraph
24 (A) of paragraph (2) , by striking “paragraph

1 (1)(C)—” and inserting “paragraph (1)(C):”;
2 and
3 (3) by adding at the end the following:

4 “(e) BASIS FOR THE DETERMINATION OF THE SEC-
5 RETARY.—

6 “(1) INCREASED IMPORTS.—For purposes of
7 subsection (c)(1)(C), the Secretary—

8 “(A) may use data from any of the pre-
9 ceding three calendar years to determine if the
10 requirements of such subsection have been met;
11 and

12 “(B) may determine that increases of im-
13 ports of like or directly competitive articles or
14 services exist if customers accounting for a sig-
15 nificant percentage of the decrease in the sales
16 of the firm certify to the Secretary that such
17 customers are obtaining such articles or services
18 from a foreign country.

19 “(2) PROCESS AND METHODS FOR OBTAINING
20 CERTIFICATIONS.—

21 “(A) REQUEST BY PETITIONER.—If re-
22 quested by a firm, the Secretary shall obtain
23 the certifications under paragraph (1)(B) in
24 such manner as the Secretary determines is ap-
25 propriate.

1 “(B) PROTECTION OF CONFIDENTIAL IN-
2 FORMATION.—The Secretary may not release
3 information obtained under subparagraph (A)
4 that the Secretary considers to be confidential
5 business information unless the party submit-
6 ting the confidential business information had
7 notice, at the time of submission, that such in-
8 formation would be released by the Secretary,
9 or such party subsequently consents to the re-
10 lease of the information. Nothing in this sub-
11 paragraph shall be construed to prohibit a court
12 from requiring the submission of such confiden-
13 tial business information to the court in cam-
14 era.

15 “(f) NOTIFICATION TO FIRMS OF AVAILABILITY OF
16 BENEFITS.—Upon receiving notice from the Secretary of
17 Labor under section 225(c) of the identity of a firm or
18 firms that are covered by a certification issued under sec-
19 tion 223 or 223A, the Secretary of Commerce shall notify
20 such firm or firms of the availability of adjustment assist-
21 ance under this chapter.”.

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

24 (1) by striking “For purposes of” and inserting

25 “(a) FIRM.—For purposes of”; and

1 (2) 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 **SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE AD-**
6 **JUSTMENT ASSISTANCE FOR FIRMS.**

7 Section 256(b) of the Trade Act of 1974 (19 U.S.C.
8 2346(b)) is amended—

9 (1) by striking “and \$4,000,000 for the 3-
10 month period beginning on October 1, 2007,” insert-
11 ing “and \$50,000,000 for each of fiscal years 2008
12 through 2012,” after “fiscal years 2003 through
13 2007,”; and

14 (2) by inserting after the first sentence the fol-
15 lowing: “Of the amounts appropriated pursuant to
16 this subsection for each fiscal year, \$350,000 shall
17 be available for full-time positions in the Depart-
18 ment of Commerce to administer the program under
19 this chapter.”.

20 **SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOP-**
21 **MENT OF NEW SERVICES.**

22 Section 265(a) of the Trade Act of 1974 (19 U.S.C.
23 2355(a)) is amended—

1 (1) in the first sentence, by striking “new prod-
 2 uct development” and inserting “the development of
 3 new products and services”; and

4 (2) in the second sentence, by inserting “,
 5 223A,” after “223”.

6 **TITLE III—UNEMPLOYMENT** 7 **INSURANCE**

8 **SEC. 301. SHORT TITLE.**

9 This title may be cited as the “Unemployment Insur-
 10 ance Modernization Act”.

11 **SEC. 302. SPECIAL TRANSFERS TO STATE ACCOUNTS IN** 12 **THE UNEMPLOYMENT TRUST FUND.**

13 (a) IN GENERAL.—Section 903 of the Social Security
 14 Act (42 U.S.C. 1103) is amended by adding at the end
 15 the following:

16 “Special Transfers in Fiscal Years 2008 Through 2012
 17 for Modernization

18 “(f)(1)(A) In addition to any other amounts, the Sec-
 19 retary of Labor shall provide for the making of unemploy-
 20 ment compensation modernization incentive payments
 21 (hereinafter ‘incentive payments’) to the accounts of the
 22 States in the Unemployment Trust Fund, by transfer from
 23 amounts reserved for that purpose in the Federal unem-
 24 ployment account, in accordance with succeeding provi-
 25 sions of this subsection.

1 “(B) The maximum incentive payment allowable
2 under this subsection with respect to any State shall, as
3 determined by the Secretary of Labor, be equal to the
4 amount obtained by multiplying \$7,000,000,000 times the
5 same ratio as is applicable under subsection (a)(2)(B) for
6 purposes of determining such State’s share of any funds
7 to be transferred under subsection (a) as of October 1,
8 2007.

9 “(C) Of the maximum incentive payment determined
10 under subparagraph (B) with respect to a State—

11 “(i) one-third shall be transferred to the ac-
12 count of such State upon a certification under para-
13 graph (4)(B) that the State law of such State meets
14 the requirements of paragraph (2); and

15 “(ii) the remainder shall be transferred to the
16 account of such State upon a certification under
17 paragraph (4)(B) that the State law of such State
18 meets the requirements of paragraph (3).

19 “(2) The State law of a State meets the requirements
20 of this paragraph if such State law—

21 “(A) uses a base period that includes the most
22 recently completed calendar quarter before the start
23 of the benefit year for purposes of determining eligi-
24 bility for unemployment compensation; or

1 “(B) provides that, in the case of an individual
2 who would not otherwise be eligible for unemploy-
3 ment compensation under the State law because of
4 the use of a base period that does not include the
5 most recently completed calendar quarter before the
6 start of the benefit year, eligibility shall be deter-
7 mined using a base period that includes such cal-
8 endar quarter.

9 “(3) The State law of a State meets the requirements
10 of this paragraph if such State law includes provisions to
11 carry out at least 2 of the following subparagraphs:

12 “(A) An individual shall not be denied regular
13 unemployment compensation under any State law
14 provisions relating to availability for work, active
15 search for work, or refusal to accept work, solely be-
16 cause such individual is seeking only part-time (and
17 not full-time) work, except that the State law provi-
18 sions carrying out this subparagraph may exclude an
19 individual if a majority of the weeks of work in such
20 individual’s base period do not include part-time
21 work.

22 “(B) An individual shall not be disqualified
23 from regular unemployment compensation for sepa-
24 rating from employment if that separation is for
25 compelling family reasons. For purposes of this sub-

1 paragraph, the term ‘compelling family reasons’ in-
2 cludes at least the following:

3 “(i) Domestic violence (verified by such
4 reasonable and confidential documentation as
5 the State law may require) which causes the in-
6 dividual reasonably to believe that such individ-
7 ual’s continued employment would jeopardize
8 the safety of the individual or of any member
9 of the individual’s immediate family.

10 “(ii) The illness or disability of a member
11 of the individual’s immediate family.

12 “(iii) The need for the individual to accom-
13 pany such individual’s spouse—

14 “(I) to a place from which it is im-
15 practical for such individual to commute;
16 and

17 “(II) due to a change in location of
18 the spouse’s employment.

19 “(C) Weekly unemployment compensation is
20 payable under this subparagraph to any individual
21 who is unemployed (as determined under the State
22 unemployment compensation law), has exhausted all
23 rights to regular and (if applicable) extended unem-
24 ployment compensation under the State law, and is
25 enrolled and making satisfactory progress in a

1 State-approved training program or in a job training
2 program authorized under the Workforce Investment
3 Act of 1998. Such program shall prepare individuals
4 who have been separated from a declining occupa-
5 tion, or who have been involuntarily and indefinitely
6 separated from employment as a result of a perma-
7 nent reduction of operations at the individual's place
8 of employment, for entry into a high-demand occu-
9 pation. The amount of unemployment compensation
10 payable under this subparagraph to an individual for
11 a week of unemployment shall be equal to the indi-
12 vidual's average weekly benefit amount (including
13 dependents' allowances) for the most recent benefit
14 year, and the total amount of unemployment com-
15 pensation payable under this subparagraph to any
16 individual shall be equal to at least 26 times the in-
17 dividual's average weekly benefit amount (including
18 dependents' allowances) for the most recent benefit
19 year.

20 “(4)(A) Any State seeking an incentive payment
21 under this subsection shall submit an application therefor
22 at such time, in such manner, and complete with such in-
23 formation as the Secretary of Labor may by regulation
24 prescribe, including information relating to compliance
25 with the requirements of paragraph (2) or (3), as well as

1 how the State intends to use the incentive payment to im-
2 prove or strengthen the State's unemployment compensa-
3 tion program. The Secretary of Labor shall, within 90
4 days after receiving a complete application, notify the
5 State agency of the State of the Secretary's findings with
6 respect to the requirements of paragraph (2) or (3) (or
7 both).

8 “(B) If the Secretary of Labor finds that the State
9 law provisions (disregarding any State law provisions
10 which are not then currently in effect as permanent law
11 or which are subject to discontinuation under certain con-
12 ditions) meet the requirements of paragraph (2) or (3),
13 as the case may be, the Secretary of Labor shall thereupon
14 make a certification to that effect to the Secretary of the
15 Treasury, together with a certification as to the amount
16 of the incentive payment to be transferred to the State
17 account pursuant to that finding. The Secretary of the
18 Treasury shall make the appropriate transfer within 30
19 days after receiving such certification.

20 “(C)(i) No certification of compliance with the re-
21 quirements of paragraph (2) or (3) may be made with re-
22 spect to any State whose State law is not otherwise eligible
23 for certification under section 303 or approvable under
24 section 3304 of the Federal Unemployment Tax Act.

1 “(ii) No certification of compliance with the require-
2 ments of paragraph (3) may be made with respect to any
3 State whose State law is not in compliance with the re-
4 quirements of paragraph (2).

5 “(iii) No application under subparagraph (A) may be
6 considered if submitted before October 1, 2007, or after
7 the latest date necessary (as specified by the Secretary of
8 Labor in regulations) to ensure that all incentive pay-
9 ments under this subsection are made before October 1,
10 2012.

11 “(5)(A) Except as provided in subparagraph (B), any
12 amount transferred to the account of a State under this
13 subsection may be used by such State only in the payment
14 of cash benefits to individuals with respect to their unem-
15 ployment (including for dependents’ allowances and for
16 unemployment compensation under paragraph (3)(C)), ex-
17 clusive of expenses of administration.

18 “(B) A State may, subject to the same conditions as
19 set forth in subsection (c)(2) (excluding subparagraph (B)
20 thereof, and deeming the reference to ‘subsections (a) and
21 (b)’ in subparagraph (D) thereof to include this sub-
22 section), use any amount transferred to the account of
23 such State under this subsection for the administration
24 of its unemployment compensation law and public employ-
25 ment offices.

19 “Special Transfers in Fiscal Years 2008 Through 2012
20 for Administration

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1 regarding this subsection) would otherwise be so available,
2 increased by \$100,000,000.

3 “(2) Each State’s share of any additional amount
4 made available by this subsection shall be determined, cer-
5 tified, and computed in the same manner as described in
6 subsection (a)(2) and shall be subject to the same limita-
7 tions on transfers as described in subsection (b). For pur-
8 poses of applying subsection (b)(2), the balance of any ad-
9 vances made to a State under section 1201 shall be cred-
10 ited against, and operate to reduce (but not below zero)—

11 “(A) first, any additional amount which, as a
12 result of the enactment of this subsection, is to be
13 transferred to the account of such State in a fiscal
14 year; and

15 “(B) second, any amount which (disregarding
16 this subsection) is otherwise to be transferred to the
17 account of such State pursuant to subsections (a)
18 and (b) in such fiscal year.

19 “(3) Any additional amount transferred to the ac-
20 count of a State as a result of the enactment of this sub-
21 section—

22 “(A) may be used by the State agency of such
23 State only in the payment of expenses incurred by
24 it for—

1 “(i) the administration of the provisions of
2 its State law carrying out the purposes of sub-
3 section (f)(2) or any subparagraph of sub-
4 section (f)(3);

5 “(ii) improved outreach to individuals who
6 might be eligible for regular unemployment
7 compensation by virtue of any provisions of the
8 State law which are described in clause (i);

9 “(iii) the improvement of unemployment
10 benefit and unemployment tax operations; and

11 “(iv) staff-assisted reemployment services
12 for unemployment compensation claimants; and

13 “(B) shall be excluded from the application of
14 subsection (c).

15 “(4) The total additional amount made available by
16 this subsection in a fiscal year shall be taken out of the
17 amounts remaining in the employment security adminis-
18 tration account after subtracting the total amount which
19 (disregarding this subsection) is otherwise required to be
20 transferred from such account in such fiscal year pursuant
21 to subsections (a) and (b).”.

22 (b) REGULATIONS.—The Secretary of Labor may
23 prescribe any regulations necessary to carry out the
24 amendment made by subsection (a).

1 **SEC. 303. EXTENSION OF FUTA TAX.**

2 Section 3301 of the Internal Revenue Code of 1986
3 (relating to rate of tax) is amended—

4 (1) by striking “2007” in paragraph (1) and in-
5 serting “2012”, and

6 (2) by striking “2008” in paragraph (2) and in-
7 serting “2013”.

8 **TITLE IV—MANUFACTURING**
9 **REDEVELOPMENT ZONES**

10 **SEC. 401. MANUFACTURING REDEVELOPMENT ZONES.**

11 (a) IN GENERAL.—Subchapter Y of chapter 1 of the
12 Internal Revenue Code of 1986 is amended by adding at
13 the end the following new part:

14 **“PART III—MANUFACTURING REDEVELOPMENT**
15 **ZONES**

“Sec. 1400U-1. Designation of manufacturing redevelopment zones.

“Sec. 1400U-2. Eligibility criteria.

“Sec. 1400U-3. Manufacturing redevelopment tax credit bonds.

“Sec. 1400U-4. Tax-exempt manufacturing zone facility bonds.

“Sec. 1400U-5. Additional low-income housing credits.

16 **“SEC. 1400U-1. DESIGNATION OF MANUFACTURING REDE-**
17 **VELOPMENT ZONES.**

18 “(a) IN GENERAL.—From among the areas nomi-
19 nated for designation under this section, the Secretary
20 may designate manufacturing redevelopment zones.

21 “(b) LIMITATIONS ON DESIGNATIONS.—The Sec-
22 retary may designate in the aggregate 24 nominated areas
23 as manufacturing redevelopment zones, subject to the

1 availability of eligible nominated areas. The Secretary
2 shall designate manufacturing redevelopment zones in
3 such manner that the aggregate population of all such
4 zones does not exceed 2,000,000.

5 “(c) PERIOD DESIGNATION MAY BE MADE.—A des-
6 ignation may be made under subsection (a) only during
7 the 2-year period beginning on the date of the enactment
8 of this section.

9 “(d) PERIOD FOR WHICH DESIGNATION IS IN EF-
10 FECT.—

11 “(1) IN GENERAL.—Any designation under this
12 section shall remain in effect during the period be-
13 ginning on the date of the designation and ending
14 on the earliest of—

15 “(A) the close of the 10th calendar year
16 beginning on or after the date of the designa-
17 tion,

18 “(B) the termination date designated by
19 the State and local governments as provided for
20 in their nomination, or

21 “(C) the date the Secretary revokes the
22 designation.

23 “(2) REVOCATION OF DESIGNATION.—The Sec-
24 retary may revoke the designation under this section
25 of an area if such Secretary determines that the

1 local government or the State in which it is lo-
 2 cated—

3 “(A) has modified the boundaries of the
 4 area, or

5 “(B) is not complying substantially with,
 6 or fails to make progress in achieving the
 7 benchmarks set forth in, the strategic plan in-
 8 cluded with the application

9 “(e) LIMITATIONS ON DESIGNATIONS; APPLICA-
 10 TION.—Rules similar to the rules of subsections (e) and
 11 (f) of section 1391 shall apply for purposes of this section
 12 except that the rules of such subsection (f) shall be applied
 13 with respect to the eligibility criteria specified in section
 14 1400U–2.

15 “(f) DETERMINATIONS OF POPULATION.—Any deter-
 16 mination of population under this part shall be made on
 17 the basis of the most recent decennial census for which
 18 data are available.

19 **“SEC. 1400U–2. ELIGIBILITY CRITERIA.**

20 “(a) IN GENERAL.—A nominated area shall be eligi-
 21 ble for designation under section 1400U–1 only if—

22 “(1) it meets each of the criteria specified in
 23 section 1392(a),

24 “(2) the nominated area has experienced a sig-
 25 nificant decline in the number of individuals em-

1 employed in manufacturing or has a high concentration
2 of abandoned or underutilized manufacturing facili-
3 ties, and

4 “(3) no portion of the nominated area is located
5 in an empowerment zone or renewal community, un-
6 less the local government which nominated the area
7 elects to terminate such designation as an empower-
8 ment zone or renewal community.

9 “(b) APPLICATION OF CERTAIN RULES; DEFINI-
10 TIONS.—For purposes of this subchapter—

11 “(1) rules similar to the rules of subsections
12 (b), (c), and (d) of section 1392 and paragraphs (4),
13 (7), (8), and (9) of section 1393(a) shall apply, and

14 “(2) any term defined in section 1393 shall
15 have the same meaning when used in this sub-
16 chapter.

17 “(c) DISCRETION TO ADJUST REQUIREMENTS.—In
18 determining whether a nominated area is eligible for des-
19 ignation as a manufacturing redevelopment zone, the Sec-
20 retary may, where necessary to carry out the purposes of
21 this part, waive the requirement of section 1392(a)(4) if
22 it is shown that the nominated area has experienced a loss
23 of manufacturing jobs during the previous 20 years which
24 is in excess of 25 percent.

1 **“SEC. 1400U-3. MANUFACTURING REDEVELOPMENT TAX**
2 **CREDIT BONDS.**

3 “(a) IN GENERAL.—For purposes of subpart I of
4 part IV of subchapter A (relating to qualified tax credit
5 bonds), the term ‘manufacturing redevelopment bond’
6 means any bond issued as part of an issue if—

7 “(1) 100 percent of the available project pro-
8 ceeds of such issue are to be used for one or more
9 qualified manufacturing redevelopment purposes,

10 “(2) the bond is not a private activity bond,
11 and

12 “(3) the local government which nominated the
13 area to which such bond relates designates such
14 bond for purposes of this section.

15 “(b) LIMITATION ON AMOUNT OF BONDS DES-
16 IGNATED.—The maximum aggregate face amount of
17 bonds which may be designated under subsection (a) with
18 respect to any manufacturing redevelopment zone shall
19 not exceed \$150,000,000.

20 “(c) QUALIFIED MANUFACTURING REDEVELOPMENT
21 PURPOSE.—For purposes of this section, the term ‘quali-
22 fied manufacturing redevelopment purposes’ means capital
23 expenditures paid or incurred with respect to property lo-
24 cated in a manufacturing redevelopment zone for purposes
25 of promoting development or other economic activity in
26 such zone, including expenditures for environmental reme-

1 diation, improvements to public infrastructure, and con-
 2 struction of public facilities.

3 “(d) DEFINITIONS.—For purposes of this section,
 4 any term used in this section which is also used in section
 5 54A shall have the same meaning given such term by sec-
 6 tion 54A.

7 **“SEC. 1400U-4. TAX-EXEMPT MANUFACTURING ZONE FACIL-
 8 ITY BONDS.**

9 “(a) IN GENERAL.—For purposes of part IV of sub-
 10 chapter B (relating to tax exemption requirements for
 11 State and local bonds), the term ‘exempt facility bond’ in-
 12 cludes any bond issued as part of an issue if—

13 “(1) 95 percent or more of the net proceeds (as
 14 defined in section 150(a)(3)) of such issue are to be
 15 used for manufacturing zone property, and

16 “(2) the local government which nominated the
 17 area to which such bond relates designates such
 18 bond for purposes of this section.

19 “(b) LIMITATION ON AMOUNT OF BONDS DES-
 20 IGNATED.—

21 “(1) IN GENERAL.—The aggregate face amount
 22 of bonds which may be designated under subsection
 23 (a)(2) with respect to any manufacturing redevelop-
 24 ment zone shall not exceed \$230,000,000.

1 “(2) CURRENT REFUNDING NOT TAKEN INTO
2 ACCOUNT.—In the case of a refunding (or series of
3 refundings) of a bond designated under this section,
4 the refunding obligation shall be treated as des-
5 ignated under subsection (a)(2) (and shall not be
6 taken into account in applying paragraph (1)) if—

7 “(A) the amount of the refunding bond
8 does not exceed the outstanding amount of the
9 refunded bond, and

10 “(B) the refunded bond is redeemed not
11 later than 90 days after the date of issuance of
12 the refunding bond.

13 “(c) LIMITATION ON AMOUNT OF BONDS ALLOCABLE
14 TO ANY PERSON.—

15 “(1) IN GENERAL.—Subsection (a) shall not
16 apply to any issue if the aggregate amount of out-
17 standing manufacturing zone facility bonds allocable
18 to any person (taking into account such issue) ex-
19 ceeds—

20 “(A) \$15,000,000 with respect to any 1
21 manufacturing redevelopment zone, or

22 “(B) \$20,000,000 with respect to all man-
23 ufacturing redevelopment zones.

24 “(2) AGGREGATE ENTERPRISE ZONE FACILITY
25 BOND BENEFIT.—For purposes of paragraph (1),

1 the aggregate amount of outstanding manufacturing
 2 zone facility bonds allocable to any person shall be
 3 determined under rules similar to the rules of sec-
 4 tion 144(a)(10), taking into account only bonds to
 5 which subsection (a) applies.

6 “(d) MANUFACTURING ZONE PROPERTY.—For pur-
 7 poses of this section—

8 “(1) IN GENERAL.—The term ‘manufacturing
 9 zone property’ means any property to which section
 10 168 applies (or would apply but for section 179) if—

11 “(A) such property was acquired by the
 12 taxpayer by purchase (as defined in section
 13 179(d)(2)) after the date on which the designa-
 14 tion of the manufacturing redevelopment zone
 15 took effect,

16 “(B) the original use of which in the man-
 17 ufacturing redevelopment zone commences with
 18 the taxpayer, and

19 “(C) substantially all of the use of which
 20 is in the manufacturing redevelopment zone and
 21 is in the active conduct of a qualified business
 22 by the taxpayer in such zone.

23 “(2) QUALIFIED BUSINESS.—The term ‘quali-
 24 fied business’ means any trade or business except
 25 that—

9 “(3) SPECIAL RULES FOR SUBSTANTIAL REN-
10 OVATIONS AND SALE-LEASEBACK.—Rules similar to
11 the rules of subsections (a)(2) and (b) of section
12 1397D shall apply for purposes of this subsection.

18 "SEC. 1400U-5. ADDITIONAL LOW-INCOME HOUSING CRED-
19 ITS.

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1 “(1) the aggregate housing credit dollar amount
 2 allocated by the State housing credit agency of such
 3 State to buildings located in such manufacturing re-
 4 development zone for such calendar year, or

5 “(2) the excess of—

6 “(A) the manufacturing zone housing
 7 amount with respect to such manufacturing re-
 8 development zone, over

9 “(B) the aggregate increases under this
 10 subsection with respect to such zone for all pre-
 11 ceding calendar years.

12 “(b) MANUFACTURING ZONE HOUSING AMOUNT.—

13 For purposes of subsection (a), the term ‘manufacturing
 14 zone housing amount’ means, with respect to any manu-
 15 facturing redevelopment zone, the product of \$20 multi-
 16 plied by the population of such zone.

17 “(c) OTHER RULES.—

18 “(1) CARRYOVERS.—Rules similar to the rules
 19 of section 1400N(c)(1)(C) shall apply for purposes
 20 of this section.

21 “(2) RETURNED AMOUNTS.—If any amount of
 22 State housing credit ceiling which was taken into ac-
 23 count under subsection (a)(1) is returned within the
 24 meaning of section 42(h)(3)(C)(iii)—

1 “(A) such amount shall not be taken into
2 account under such section, and

3 “(B) such allocation shall cease to be
4 treated as an increase under this subsection for
5 purposes of subsection (a)(2)(B) until reallo-
6 cated.”.

7 (b) APPLICATION OF WORK OPPORTUNITY TAX
8 CREDIT TO MANUFACTURING REDEVELOPMENT
9 ZONES.—Subparagraphs (A) and (B) of section 51(d)(5)
10 of such Code are each amended by inserting “manufac-
11 turing redevelopment zone,” after “renewal community,”.

12 (c) CONFORMING AMENDMENTS RELATED TO MANU-
13 FACTURING REDEVELOPMENT TAX CREDIT BONDS.—

14 (1) GENERAL RULES.—Part IV of subchapter A
15 of chapter 1 of such Code (relating to credits
16 against tax) is amended by adding at the end the
17 following new subpart:

18 **“Subpart I—Qualified Tax Credit Bonds**

 “Sec. 54A. Credit to holders of qualified tax credit bonds.

19 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CRED-**
20 **IT BONDS.**

21 “(a) ALLOWANCE OF CREDIT.—If a taxpayer holds
22 a qualified tax credit bond on one or more credit allowance
23 dates of the bond during any taxable year, there shall be
24 allowed as a credit against the tax imposed by this chapter

1 for the taxable year an amount equal to the sum of the
2 credits determined under subsection (b) with respect to
3 such dates.

4 “(b) AMOUNT OF CREDIT.—

5 “(1) IN GENERAL.—The amount of the credit
6 determined under this subsection with respect to any
7 credit allowance date for a qualified tax credit bond
8 is 25 percent of the annual credit determined with
9 respect to such bond.

10 “(2) ANNUAL CREDIT.—The annual credit de-
11 termined with respect to any qualified tax credit
12 bond is the product of—

13 “(A) the applicable credit rate, multiplied
14 by

15 “(B) the outstanding face amount of the
16 bond.

17 “(3) APPLICABLE CREDIT RATE.—For purposes
18 of paragraph (2), the applicable credit rate is the
19 rate which the Secretary estimates will permit the
20 issuance of qualified tax credit bonds with a speci-
21 fied maturity or redemption date without discount
22 and without interest cost to the qualified issuer. The
23 applicable credit rate with respect to any qualified
24 tax credit bond shall be determined as of the first

1 day on which there is a binding, written contract for
2 the sale or exchange of the bond.

3 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
4 DEMPTION.—In the case of a bond which is issued
5 during the 3-month period ending on a credit allow-
6 ance date, the amount of the credit determined
7 under this subsection with respect to such credit al-
8 lowance date shall be a ratable portion of the credit
9 otherwise determined based on the portion of the 3-
10 month period during which the bond is outstanding.
11 A similar rule shall apply when the bond is redeemed
12 or matures.

13 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

14 “(1) IN GENERAL.—The credit allowed under
15 subsection (a) for any taxable year shall not exceed
16 the excess of—

17 “(A) the sum of the regular tax liability
18 (as defined in section 26(b)) plus the tax im-
19 posed by section 55, over

20 “(B) the sum of the credits allowable
21 under this part (other than subpart C and this
22 subpart).

23 “(2) CARRYOVER OF UNUSED CREDIT.—If the
24 credit allowable under subsection (a) exceeds the
25 limitation imposed by paragraph (1) for such taxable

1 year, such excess shall be carried to the succeeding
2 taxable year and added to the credit allowable under
3 subsection (a) for such taxable year (determined be-
4 fore the application of paragraph (1) for such suc-
5 ceeding taxable year).

6 “(d) QUALIFIED TAX CREDIT BOND.—For purposes
7 of this section—

8 “(1) QUALIFIED TAX CREDIT BOND.—The term
9 ‘qualified tax credit bond’ means a manufacturing
10 redevelopment bond (as defined in section 1400U–3)
11 which is part of an issue that meets the require-
12 ments of paragraphs (2), (3), (4), (5), and (6).

13 “(2) SPECIAL RULES RELATING TO EXPENDI-
14 TURES.—

15 “(A) IN GENERAL.—An issue shall be
16 treated as meeting the requirements of this
17 paragraph if, as of the date of issuance, the
18 issuer reasonably expects—

19 “(i) 100 percent or more of the avail-
20 able project proceeds to be spent for 1 or
21 more qualified purposes within the 3-year
22 period beginning on such date of issuance,
23 and

24 “(ii) a binding commitment with a
25 third party to spend at least 10 percent of

1 such available project proceeds will be in-
2 curred within the 6-month period begin-
3 ning on such date of issuance.

4 “(B) FAILURE TO SPEND REQUIRED
5 AMOUNT OF BOND PROCEEDS WITHIN 3
6 YEARS.—

7 “(i) IN GENERAL.—To the extent that
8 less than 100 percent of the available
9 project proceeds of the issue are expended
10 by the close of the expenditure period for
11 1 or more qualified purposes, the issuer
12 shall redeem all of the nonqualified bonds
13 within 90 days after the end of such pe-
14 riod. For purposes of this paragraph, the
15 amount of the nonqualified bonds required
16 to be redeemed shall be determined in the
17 same manner as under section 142.

18 “(ii) EXPENDITURE PERIOD.—For
19 purposes of this subpart, the term ‘expend-
20 iture period’ means, with respect to any
21 issue, the 3-year period beginning on the
22 date of issuance. Such term shall include
23 any extension of such period under clause
24 (iii).

1 “(iii) EXTENSION OF PERIOD.—Upon
2 submission of a request prior to the expira-
3 tion of the expenditure period (determined
4 without regard to any extension under this
5 clause), the Secretary may extend such pe-
6 riod if the issuer establishes that the fail-
7 ure to expend the proceeds within the
8 original expenditure period is due to rea-
9 sonable cause and the expenditures for
10 qualified purposes will continue to proceed
11 with due diligence.

12 “(C) QUALIFIED PURPOSE.—For purposes
13 of this paragraph, the term ‘qualified purpose’
14 means a purpose specified in section 1400U-
15 3(a)(1).

16 “(D) REIMBURSEMENT.—For purposes of
17 this subtitle, available project proceeds of an
18 issue shall be treated as spent for a qualified
19 purpose if such proceeds are used to reimburse
20 the issuer for amounts paid for a qualified pur-
21 pose after the date that the Secretary makes an
22 allocation of bond limitation with respect to
23 such issue, but only if—

24 “(i) prior to the payment of the origi-
25 nal expenditure, the issuer declared its in-

1 tent to reimburse such expenditure with
2 the proceeds of a qualified tax credit bond,
3 “(ii) not later than 60 days after pay-
4 ment of the original expenditure, the issuer
5 adopts an official intent to reimburse the
6 original expenditure with such proceeds,
7 and

8 “(iii) the reimbursement is made not
9 later than 18 months after the date the
10 original expenditure is paid.

11 “(3) REPORTING.—An issue shall be treated as
12 meeting the requirements of this paragraph if the
13 issuer of qualified tax credit bonds submits reports
14 similar to the reports required under section 149(e).

15 “(4) SPECIAL RULES RELATING TO ARBI-
16 TRAGE.—

17 “(A) IN GENERAL.—An issue shall be
18 treated as meeting the requirements of this
19 paragraph if the issuer satisfies the require-
20 ments of section 148 with respect to the pro-
21 ceeds of the issue.

22 “(B) SPECIAL RULE FOR INVESTMENTS
23 DURING EXPENDITURE PERIOD.—An issue shall
24 not be treated as failing to meet the require-
25 ments of subparagraph (A) by reason of any in-

1 vestment of available project proceeds during
2 the expenditure period.

3 “(C) SPECIAL RULE FOR RESERVE
4 FUNDS.—An issue shall not be treated as fail-
5 ing to meet the requirements of subparagraph
6 (A) by reason of any fund which is expected to
7 be used to repay such issue if—

8 “(i) such fund is funded at a rate not
9 more rapid than equal annual installments,

10 “(ii) such fund is funded in a manner
11 that such fund will not exceed the amount
12 necessary to repay the issue if invested at
13 the maximum rate permitted under clause
14 (iii), and

15 “(iii) the yield on such fund is not
16 greater than the discount rate determined
17 under paragraph (5)(B) with respect to the
18 issue.

19 “(5) MATURITY LIMITATION.—

20 “(A) IN GENERAL.—An issue shall not be
21 treated as meeting the requirements of this
22 paragraph if the maturity of any bond which is
23 part of such issue exceeds the maximum term
24 determined by the Secretary under subpara-
25 graph (B).

1 “(B) MAXIMUM TERM.—During each cal-
2 endar month, the Secretary shall determine the
3 maximum term permitted under this paragraph
4 for bonds issued during the following calendar
5 month. Such maximum term shall be the term
6 which the Secretary estimates will result in the
7 present value of the obligation to repay the
8 principal on the bond being equal to 50 percent
9 of the face amount of such bond. Such present
10 value shall be determined using as a discount
11 rate the average annual interest rate of tax-ex-
12 empt obligations having a term of 10 years or
13 more which are issued during the month. If the
14 term as so determined is not a multiple of a
15 whole year, such term shall be rounded to the
16 next highest whole year.

17 “(e) OTHER DEFINITIONS.—For purposes of this
18 subchapter—

19 “(1) CREDIT ALLOWANCE DATE.—The term
20 ‘credit allowance date’ means—

21 “(A) March 15,

22 “(B) June 15,

23 “(C) September 15, and

24 “(D) December 15.

1 Such term includes the last day on which the bond
2 is outstanding.

3 “(2) BOND.—The term ‘bond’ includes any ob-
4 ligation.

5 “(3) STATE.—The term ‘State’ includes the
6 District of Columbia and any possession of the
7 United States.

8 “(4) AVAILABLE PROJECT PROCEEDS.—The
9 term ‘available project proceeds’ means—

10 “(A) the excess of—

11 “(i) the proceeds from the sale of an
12 issue, over

13 “(ii) the issuance costs financed by
14 the issue (to the extent that such costs do
15 not exceed 2 percent of such proceeds),
16 and

17 “(B) the proceeds from any investment of
18 the excess described in subparagraph (A).

19 “(f) CREDIT TREATED AS INTEREST.—For purposes
20 of this subtitle, the credit determined under subsection (a)
21 shall be treated as interest which is includible in gross in-
22 come.

23 “(g) S CORPORATIONS AND PARTNERSHIPS.—In the
24 case of a tax credit bond held by an S corporation or part-
25 nership, the allocation of the credit allowed by this section

1 to the shareholders of such corporation or partners of such
2 partnership shall be treated as a distribution.

3 “(h) BONDS HELD BY REGULATED INVESTMENT
4 COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

5 If any qualified tax credit bond is held by a regulated in-
6 vestment company or a real estate investment trust, the
7 credit determined under subsection (a) shall be allowed to
8 shareholders of such company or beneficiaries of such
9 trust (and any gross income included under subsection (f)
10 with respect to such credit shall be treated as distributed
11 to such shareholders or beneficiaries) under procedures
12 prescribed by the Secretary.

13 “(i) CREDITS MAY BE STRIPPED.—Under regula-
14 tions prescribed by the Secretary—

15 “(1) IN GENERAL.—There may be a separation
16 (including at issuance) of the ownership of a quali-
17 fied tax credit bond and the entitlement to the credit
18 under this section with respect to such bond. In case
19 of any such separation, the credit under this section
20 shall be allowed to the person who on the credit al-
21 lowance date holds the instrument evidencing the en-
22 titlement to the credit and not to the holder of the
23 bond.

24 “(2) CERTAIN RULES TO APPLY.—In the case
25 of a separation described in paragraph (1), the rules

1 of section 1286 shall apply to the qualified tax credit
2 bond as if it were a stripped bond and to the credit
3 under this section as if it were a stripped coupon.”.

4 (2) REPORTING.—Subsection (d) of section
5 6049 of such Code (relating to returns regarding
6 payments of interest) is amended by adding at the
7 end the following new paragraph:

8 “(9) REPORTING OF CREDIT ON QUALIFIED
9 TAX CREDIT BONDS.—

10 “(A) IN GENERAL.—For purposes of sub-
11 section (a), the term ‘interest’ includes amounts
12 includible in gross income under section 54A
13 and such amounts shall be treated as paid on
14 the credit allowance date (as defined in section
15 54A(e)(1)).

16 “(B) REPORTING TO CORPORATIONS,
17 ETC.—Except as otherwise provided in regula-
18 tions, in the case of any interest described in
19 subparagraph (A) of this paragraph, subsection
20 (b)(4) of this section shall be applied without
21 regard to subparagraphs (A), (H), (I), (J), (K),
22 and (L)(i).

23 “(C) REGULATORY AUTHORITY.—The Sec-
24 retary may prescribe such regulations as are
25 necessary or appropriate to carry out the pur-

1 poses of this paragraph, including regulations
 2 which require more frequent or more detailed
 3 reporting.”.

4 (3) OTHER CONFORMING AMENDMENTS RE-
 5 LATED TO TAX CREDIT BONDS.—

6 (A) Sections 54(c)(2) and 1400N(l)(3)(B)
 7 of such Code are each amended by striking
 8 “subpart C” and inserting “subparts C and I”.

9 (B) Section 1397E(c)(2) of such Code is
 10 amended by striking “subpart H” and inserting
 11 “subparts H and I”.

12 (C) Section 6401(b)(1) of such Code is
 13 amended by striking “and H” and inserting
 14 “H, and I”.

15 (D) The heading of subpart H of part IV
 16 of subchapter A of chapter 1 of such Code is
 17 amended by striking “**Certain Bonds**” and
 18 inserting “**Clean Renewable Energy**
 19 **Bonds**”.

20 (E) The table of subparts for part IV of
 21 subchapter A of chapter 1 of such Code is
 22 amended by striking the item relating to sub-
 23 part H and inserting the following new items:

“SUBPART H—NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE
 ENERGY BONDS

“SUBPART I—QUALIFIED TAX CREDIT BONDS”.

1 (d) CLERICAL AMENDMENT.—The table of parts for
 2 subchapter Y of chapter 1 of such Code is amended by
 3 adding at the end the following new item:

“PART III—MANUFACTURING REDEVELOPMENT BONDS”.

4 (e) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as otherwise pro-
 6 vided in this subsection, the amendments made by
 7 this section shall apply to taxable years ending after
 8 the date of the enactment of this Act.

9 (2) BOND PROVISIONS.—Sections 1400U-3 and
 10 1400U-4 of the Internal Revenue Code of 1986 (as
 11 added by subsection (a)), and the amendments made
 12 by subsection (c), shall apply to obligations issued
 13 after the date of the enactment of this Act.

14 (3) WORK OPPORTUNITY TAX CREDIT.—The
 15 amendments made by subsection (b) shall apply to
 16 individuals who begin work for the employer after
 17 the date of the enactment of this Act.

18 **SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTER-**
 19 **EST ALLOCATION.**

20 (a) IN GENERAL.—Paragraphs (5)(D) and (6) of sec-
 21 tion 864(f) of the Internal Revenue Code of 1986 are each
 22 amended by striking “December 31, 2008” and inserting
 23 “December 31, 2011”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2008.

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