

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3920

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 2007

Received; read twice and referred to the Committee on Finance

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## AN ACT

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 Assistance 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.

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.

Sec. 142. Extension of COBRA benefits for certain TAA-eligible individuals and PBGC recipients.

Subtitle E—Wage Insurance

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

#### Subtitle F—Other Matters

Sec. 161. Restriction on eligibility for program benefits.  
 Sec. 162. Agreements with States.  
 Sec. 163. Fraud and recovery of overpayments.  
 Sec. 164. Technical amendments.  
 Sec. 165. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for Trade Adjustment Assistance.  
 Sec. 166. Collection of data and reports; information to workers.  
 Sec. 167. Extension of TAA program.  
 Sec. 168. Judicial review.  
 Sec. 169. 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.  
 Sec. 204. Demonstration project on strategic trade transformation assistance.

#### TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Sec. 301. Eligibility of certain other producers.

#### TITLE IV—UNEMPLOYMENT INSURANCE

Sec. 401. Short title.  
 Sec. 402. Special transfers to State accounts in the Unemployment Trust Fund.  
 Sec. 403. Extension of FUTA tax.  
 Sec. 404. Safety Net Review Commission.

#### TITLE V—MANUFACTURING REDEVELOPMENT ZONES

Sec. 501. Manufacturing redevelopment zones.  
 Sec. 502. Delay in application of worldwide interest allocation.

#### TITLE VI—WORKER ADJUSTMENT AND RETRAINING NOTIFICATION

Sec. 601. Short title.  
 Sec. 602. Amendments to the WARN Act.  
 Sec. 603. Effective date.

### 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.

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

5           (3) While the United States manufacturing sec-  
6 tor has been the hardest hit by increased unemploy-  
7 ment, the United States service sector has also seen  
8 declines as jobs have moved to low-cost labor mar-  
9 kets, such as China, India, and the Philippines.

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

12                 (A) opening substantial new markets for  
13 United States goods, services, and farm prod-  
14 ucts;

15                 (B) building a strong framework of rules  
16 for international trade to level the playing field  
17 for United States workers and businesses in all  
18 sectors of the economy; and

19                 (C) helping those affected by globalization  
20 overcome its challenges and succeed.

21          (5) Congress created the trade adjustment as-  
22 sistance program in 1962 to provide United States  
23 workers who lose their jobs because of foreign com-  
24 petition with government-funded training and associ-

1       ated income support to enable such workers to tran-  
2       sition to new, good-paying jobs.

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

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

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

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

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

22          (11) To meet the challenges posed by  
23      globalization and to preserve the critical role that  
24      United States workers play in promoting the  
25      strength and prosperity of the United States, the

1 trade adjustment assistance program must be re-  
2 formed.

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

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

14 (a) PETITIONS.—Section 221(a) of the Trade Act of  
15 1974 (19 U.S.C. 2271(a)(1)) is amended—

16 (1) in paragraph (1)—

17 (A) in the matter preceding subparagraph

18 (A)—

19 (i) by striking “Secretary” and insert-  
20 ing “Secretary of Labor”; and

21 (ii) by striking “or subdivision” and  
22 inserting “or public agency, or subdivision  
23 of a firm or public agency,”; and

24 (B) in subparagraph (A), by striking  
25 “firm)” and inserting “firm, and workers in a

1 service sector firm or subdivision of a service  
2 sector firm, or of a public agency or subdivision  
3 thereof)”; and

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

7 (b) GROUP ELIGIBILITY REQUIREMENTS.—

8 (1) IN GENERAL.—Subsection (a) of section  
9 222 of the Trade Act of 1974 (19 U.S.C. 2272) is  
10 amended—

11 (A) in the matter preceding paragraph (1),  
12 by striking “(including workers in any agricul-  
13 tural firm or subdivision of an agricultural  
14 firm)” and inserting “(other than workers in a  
15 public agency)”;

16 (B) in paragraph (2)—

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

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

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

1 try, of production of articles, or in provision of  
2 services, like or directly competitive with arti-  
3 cles produced, or services provided, by such  
4 firm or subdivision; or

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

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

11 (A) by redesignating subsections (b) and  
12 (c) as subsections (c) and (d), respectively; and

13 (B) by inserting after subsection (a) the  
14 following:

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

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

1           “(2) the public agency or subdivision has ob-  
2           tained or is likely to obtain from a foreign country  
3           services that would otherwise be provided by such  
4           agency or subdivision.”.

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

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

14                   (B) in paragraph (2)—

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

17                           (ii) by striking “(c)(3)” and inserting  
18                           “(d)(3)”; and

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

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

1 (A) by striking “(d) For purposes of this  
2 section—” and inserting “(d) DEFINITIONS  
3 AND ELIGIBILITY.—For purposes of this sec-  
4 tion:”

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

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

16 (C) in paragraph (4)—

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

21 (ii) by inserting “(or subdivision)”  
22 after “such other firm”; and

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

24 “(5) FIRMS IDENTIFIED BY ITC.—A petition  
25 filed under section 221 covering a group of workers

1 from a firm or appropriate subdivision of a firm  
2 meets the requirements of subsection (a) if the firm  
3 is identified by the International Trade Commission  
4 under subsection (c), (d), or (e) of section 224.”.

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

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

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

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

1 on a certification thereof from the workers' firm,  
2 public agency, or subdivision (as the case may be).

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

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

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

1 (c) DEFINITIONS.—Section 247 of the Trade Act of  
2 1974 (19 U.S.C. 2319) is amended—

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

5 (2) in paragraph (1)—

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

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

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

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

19 (5) by inserting after paragraph (6) the fol-  
20 lowing:

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

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

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

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

4           Section 223 of the Trade Act of 1974 (19 U.S.C.  
5 2273) is amended—

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

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

15          (3) in subsection (d)—

16                (A) by striking “subdivision of the firm”  
17                and all that follows through “he shall” and in-  
18                serting “subdivision of the firm, or of a public  
19                agency or subdivision of a public agency, that  
20                total or partial separations from such firm (or  
21                subdivision) or public agency (or subdivision)  
22                are no longer attributable to the conditions  
23                specified in section 222, the Secretary shall”;  
24                and

1 (B) by striking “together with his reasons”  
2 and inserting “and on the Website of the De-  
3 partment of Labor, together with the Sec-  
4 retary’s reasons”.

5 **SEC. 103. MONITORING AND REPORTING RELATING TO**  
6 **SERVICE SECTOR.**

7 (a) IN GENERAL.—Section 282 of the Trade Act of  
8 1974 (19 U.S.C. 2393) is amended—

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

11 (2) in the first sentence—

12 (A) by striking “The Secretary” and in-  
13 serting “(a) MONITORING PROGRAMS.—The  
14 Secretary”;

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

17 (C) by inserting “and domestic provision of  
18 services” after “domestic production”;

19 (D) by inserting “or providing services”  
20 after “producing articles”; and

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

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

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

1           “(1) SECRETARY OF LABOR.—Not later than  
2           90 days after the date of the enactment of the Trade  
3           and Globalization Assistance Act of 2007, the Sec-  
4           retary of Labor shall implement a system to collect  
5           data on adversely affected workers employed in the  
6           service sector that includes the number of workers  
7           by State, industry, and cause of dislocation of each  
8           worker.

9           “(2) SECRETARY OF COMMERCE.—Not later  
10          than 1 year after such date of enactment, the Sec-  
11          retary of Commerce shall, in consultation with the  
12          Secretary of Labor, conduct a study and report to  
13          Congress on ways to improve the timeliness and cov-  
14          erage of data on trade in services, including methods  
15          to identify increased imports due to the relocation of  
16          United States firms to foreign countries, and in-  
17          creased imports due to United States firms obtain-  
18          ing services from firms in foreign countries.”.

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

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

1     **Subtitle B—Industry-Wide Trade**  
2                     **Adjustment Assistance**

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

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

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

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

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

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

21             “(b) DETERMINATION REGARDING INDUSTRY-WIDE  
22    CERTIFICATION.—The Secretary shall, not later than 60  
23    days after receiving a request or resolution described in  
24    subsection (a) with respect to a domestic industry, or mak-

1 ing the third certification of workers in a domestic indus-  
2 try described in subsection (a), as the case may be—

3 “(1) determine whether all adversely affected  
4 workers in that domestic industry are eligible to  
5 apply for assistance under this subchapter, in ac-  
6 cordance with the criteria established under sub-  
7 section (e); or

8 “(2) determine whether all adversely affected  
9 workers in that domestic industry in a specific geo-  
10 graphic region are eligible to apply for assistance  
11 under this subchapter, in accordance with the cri-  
12 teria established under subsection (e).

13 “(c) IDENTIFICATION AND CERTIFICATION.—

14 “(1) AFFIRMATIVE DETERMINATION.—

15 “(A) IN GENERAL.—Upon making an af-  
16 firmative determination under subsection (b),  
17 the Secretary shall—

18 “(i) identify all firms operating within  
19 the domestic industry described in para-  
20 graph (1) or (2) of subsection (b) that are  
21 covered by the determination; and

22 “(ii) certify all workers of such firms  
23 as a group of workers eligible to apply for  
24 assistance under this subchapter, without  
25 any other determination of whether such

1 group meets the requirements of section  
2 222.

3 “(B) OTHER REQUIREMENTS.—

4 “(i) IN GENERAL.—Each certification  
5 under subparagraph (A)(ii) shall specify  
6 the date on which the total or partial sepa-  
7 ration began or threatened to begin, except  
8 that—

9 “(I) with respect to a request or  
10 a resolution under subsection (a),  
11 such date may not be a date that pre-  
12 cedes one year before the date on  
13 which the Secretary receives the re-  
14 quest or resolution, as the case may  
15 be; and

16 “(II) with respect to the third  
17 certification of workers in a domestic  
18 industry described in subsection (a),  
19 such date may not be a date that pre-  
20 cedes one year before the date on  
21 which the Secretary certifies the 3d  
22 such petition.

23 “(ii) INAPPLICABILITY.—A certifi-  
24 cation under subparagraph (A)(ii) shall not  
25 apply to any worker whose last total or

1 partial separation from the firm occurred  
2 before the applicable date specified in  
3 clause (i).

4 “(iii) TRAINING BEFORE SEPARA-  
5 TION.—Any worker covered by a certifi-  
6 cation under subparagraph (A)(ii) shall be  
7 deemed to be an adversely affected worker  
8 for purposes of receiving services under  
9 section 235 and training under section  
10 236, without regard to whether the worker  
11 has been totally or partially separated from  
12 employment. In the case of a worker not  
13 totally or partially separated from employ-  
14 ment, the reference in section 236(a)(1)(A)  
15 to ‘suitable employment’ shall be deemed  
16 not to refer to such employment.

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

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

1 the Federal Register and on the Website of the De-  
2 partment of Labor, together with the reasons for  
3 making such determination.

4 “(4) TERMINATION.—Whenever the Secretary  
5 determines that a certification under paragraph (1)  
6 is no longer warranted, the Secretary shall terminate  
7 the certification and promptly have notice of the ter-  
8 mination published in the Federal Register and on  
9 the Website of the Department of Labor, together  
10 with the reasons for making such determination  
11 under this paragraph. Such termination shall apply  
12 only with respect to total or partial separations oc-  
13 ccurring after the termination date specified by the  
14 Secretary. In the case of a worker described in para-  
15 graph (1)(B)(iii), no services described in section  
16 235 or training described in section 236 may be ini-  
17 tiated after such termination date.

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

24 “(e) REGULATIONS.—The Secretary shall, not later  
25 than 1 year after the date of the enactment of the Trade

1 and Globalization Assistance Act of 2007, issue regula-  
2 tions for making determinations under this section, includ-  
3 ing criteria for making such determinations. The Sec-  
4 retary shall develop such regulations in consultation with  
5 the Committee on Ways and Means of the House of Rep-  
6 resentatives and the Committee on Finance of the Senate,  
7 and the Secretary shall submit such regulations to each  
8 such committee at least 60 days before the regulations go  
9 into effect.

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

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 223 the following:

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

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

20 (1) in section 225—

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

23 (B) in subsection (b)—

- 1 (i) in paragraph (1), by striking “sub-  
2 chapter A of this chapter” and inserting  
3 “this subchapter”; and
- 4 (ii) in paragraph (2), by striking  
5 “subchapter A” and inserting “this sub-  
6 chapter”; and
- 7 (2) in section 231—
- 8 (A) in subsection (a)—
- 9 (i) in the matter preceding paragraph  
10 (1), by striking “more than 60 days” and  
11 all that follows through “section 221” and  
12 inserting “on or after the date of such cer-  
13 tification”; and
- 14 (ii) in paragraph (1)—
- 15 (I) in subparagraph (B), by in-  
16 serting “or 223A (as the case may  
17 be)” after “223”; and
- 18 (II) in subparagraph (C), by in-  
19 serting “or 223A(e)(4), as the case  
20 may be” after “223(d)”; and
- 21 (B) in subsection (b)—
- 22 (i) by striking paragraph (2); and
- 23 (ii) in paragraph (1)—
- 24 (I) by striking “(1)”; and

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

4 (III) by redesignating clauses (i)  
5 and (ii) as subparagraphs (A) and  
6 (B), respectively; and

7 (IV) by redesignating subclauses  
8 (I) and (II) as clauses (i) and (ii), re-  
9 spectively.

10 **SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DE-**  
11 **TERMINATIONS AND SAFEGUARDS.**

12 (a) IN GENERAL.—Section 224 of the Trade Act of  
13 1974 (19 U.S.C. 2274) is amended—

14 (1) in the heading, by striking “**STUDY BY**  
15 **SECRETARY OF LABOR WHEN INTERNATIONAL**  
16 **TRADE COMMISSION BEGINS INVESTIGATION**”  
17 and inserting “**STUDY AND NOTIFICATIONS RE-**  
18 **GARDING TRADE REMEDY DETERMINATIONS**”;

19 (2) in subsection (a), by striking “Whenever”  
20 and inserting “**STUDY OF DOMESTIC INDUSTRY.—**  
21 **Whenever**”;

22 (3) in subsection (b)—

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

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

3 (C) by inserting “and on the Website of  
4 the Department of Labor” after “Federal Reg-  
5 ister”; and

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

7 “(c) NOTIFICATIONS REGARDING AFFIRMATIVE  
8 SAFEGUARD DETERMINATIONS UNDER SECTION 202.—  
9 Upon issuing an affirmative finding regarding serious in-  
10 jury, or the threat thereof, to a domestic industry, under  
11 section 202, the Commission shall notify the Secretary and  
12 the Secretary of Commerce of that finding and the identity  
13 of the firms which comprise the domestic industry.

14 “(d) NOTIFICATIONS REGARDING AFFIRMATIVE DE-  
15 TERMINATIONS UNDER SECTION 421.—Upon issuing an  
16 affirmative determination of market disruption, or the  
17 threat thereof, under section 421, the Commission shall  
18 notify the Secretary and the Secretary of Commerce of  
19 that determination and the identity of the firms which  
20 comprise the affected domestic industry.

21 “(e) NOTIFICATIONS REGARDING AFFIRMATIVE DE-  
22 TERMINATIONS UNDER TARIFF ACT OF 1930.—Upon  
23 issuing a final affirmative determination of injury, or the  
24 threat thereof, under section 705 or section 735 of the  
25 Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the

1 Commission shall notify the Secretary and the Secretary  
2 of Commerce of that determination and the identity of the  
3 firms which comprise the affected domestic industry.

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

7 “(1) the Secretary shall—

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

17 “(B) notify the Governor of each State in  
18 which one or more firms described in subpara-  
19 graph (A) are located of the Commission’s de-  
20 termination and the identity of the firms; and

21 “(C) provide the necessary assistance to  
22 employers, groups of workers, and any certified  
23 or recognized union or other duly authorized  
24 representatives of such workers to file petitions  
25 under section 221; and

1 “(2) the Secretary of Commerce shall—

2 “(A) notify the firms identified by the  
3 Commission as comprising the domestic indus-  
4 try affected of the benefits under chapter 3 and  
5 the procedures under such chapter for filing pe-  
6 titions and applying for benefits; and

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

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

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

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

14 Section 225 of the Trade Act of 1974 (19 U.S.C.  
15 2275) is amended by adding at the end the following:

16 “(c) Upon issuing a certification under section 223  
17 or 223A, the Secretary shall notify the Secretary of Com-  
18 merce of the identify of the firm or firms that are covered  
19 by the certification.”.

20 **Subtitle C—Program Benefits**

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

22 (a) IN GENERAL.—Subsection (a)(5)(A)(ii) of section  
23 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amend-  
24 ed—

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

3                   “(I) in the case of a worker whose  
4                   most recent total separation from adversely  
5                   affected employment that meets the re-  
6                   quirements of paragraphs (1) and (2) oc-  
7                   curs after the date on which the Secretary  
8                   issues a certification covering the worker,  
9                   the last day of the 26th week after such  
10                  total separation,

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

19           (2) in subclause (III)—

20                   (A) by striking “later of the dates specified  
21                   in subclause (I) or (II)” and inserting “date  
22                   specified in subclause (I) or (II), as the case  
23                   may be”; and

24                   (B) by striking “or” at the end;

1           (3) by redesignating subclause (IV) as sub-  
2           clause (V); and

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

5                       “(IV) the last day of such period that  
6                       the Secretary determines appropriate, if  
7                       the failure to enroll is due to the failure to  
8                       provide the worker with timely information  
9                       regarding the date specified in subclause  
10                      (I) or (II), as the case may be, or”.

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

13                       (1) in paragraph (1)(B)—

14                               (A) by striking “The worker possesses”  
15                               and inserting

16                                       “(i) IN GENERAL.—The worker pos-  
17                                       sesses”;

18                               (B) by moving the remaining text 2 ems to  
19                               the right; and

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

21                                       “(ii) MARKETABLE SKILLS DE-  
22                                       FINED.—For purposes of clause (i), the  
23                                       term ‘marketable skills’ may include the  
24                                       possession of a postgraduate degree from  
25                                       an institution of higher education (as de-

1            fined in section 101(a) of the Higher Edu-  
2            cation Act of 1965) or equivalent institu-  
3            tion, or the possession of an equivalent  
4            postgraduate certification in a specialized  
5            field.”; and

6            (2) in paragraph (3)—

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

9            (B) by redesignating subparagraph (B) as  
10          subparagraph (C); and

11          (C) by inserting after subparagraph (A)  
12          the following:

13                “(B) DURATION OF WAIVERS.—A waiver  
14                issued under paragraph (1) by a cooperating  
15                State shall be effective for not more than 3  
16                months after the date on which the waiver is  
17                issued, except that the State, upon reviewing  
18                the waiver, may extend the waiver for an addi-  
19                tional period of not more than 3 months if the  
20                State determines that the waiver should be  
21                maintained.”.

22          (c) DETERMINATIONS OF ELIGIBILITY BY STATE EM-  
23          PLOYEES APPOINTED ON MERIT BASIS.—Such section  
24          231 is further amended by adding at the end the following:

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

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

10 **SEC. 122. WEEKLY AMOUNTS.**

11       (a) IN GENERAL.—Section 232 of the Trade Act of  
12 1974 (19 U.S.C. 2292) is amended—

13           (1) in subsection (a)—

14               (A) by striking “subsections (b) and (c)”  
15               and inserting “subsections (b), (c), and (d)”;

16               (B) by striking “total unemployment” the  
17               first place it appears and inserting “unemploy-  
18               ment”; and

19               (C) in paragraph (2), by adding at the end  
20               before the period the following: “, except that  
21               in the case of an adversely affected worker who  
22               is participating in full-time training under this  
23               chapter, such income shall not include earnings  
24               from work for such week that are equal to or  
25               less than the most recent weekly benefit amount

1 of the unemployment insurance payable to the  
2 worker for a week of total unemployment pre-  
3 ceeding the worker's first exhaustion of unem-  
4 ployment insurance (as determined for purposes  
5 of section 231(a)(3)(B))”;

6 (2) by redesignating subsections (b) and (c) as  
7 subsections (c) and (d), respectively; and

8 (3) by inserting after subsection (a) the fol-  
9 lowing:

10 “(b)(1) Notwithstanding section 231(a)(3)(B), if an  
11 adversely affected worker who is participating in training  
12 qualifies for unemployment insurance under State law,  
13 based in whole or in part upon part-time or short-term  
14 employment following approval of the worker's initial  
15 trade readjustment allowance application under section  
16 231(a), then for any week for which unemployment insur-  
17 ance is payable and for which the worker would otherwise  
18 be entitled to a trade readjustment allowance based upon  
19 the certification under section 223, the worker shall, in  
20 addition to any such unemployment insurance, be paid a  
21 trade readjustment allowance in the amount described in  
22 paragraph (2).

23 “(2) The trade readjustment allowance payable under  
24 paragraph (1) shall be equal to the weekly benefit amount  
25 of the unemployment insurance upon which the worker's

1 trade readjustment allowance was initially determined  
2 under subsection (a), reduced by—

3 “(A) the amount of the unemployment insur-  
4 ance benefit payable to such worker for that week of  
5 unemployment for which a trade readjustment allow-  
6 ance is payable under paragraph (1); and

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

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

11 (1) in subsection (a)(1), by striking “section  
12 232(a)” and inserting “subsections (a) and (b) of  
13 section 232”; and

14 (2) in subsection (c), by striking “section  
15 232(b)” and inserting “section 232(c)”.

16 **SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOW-**  
17 **ANCES; ALLOWANCES FOR EXTENDED TRAIN-**  
18 **ING AND BREAKS IN TRAINING.**

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

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

23 (2) in paragraph (3)—

24 (A) in the matter preceding subparagraph

25 (A)—

- 1 (i) by striking “52 additional weeks”  
2 and inserting “78 additional weeks”; and  
3 (ii) by striking “52-week” and insert-  
4 ing “91-week”; and  
5 (B) in the matter following subparagraph  
6 (B), by striking “52-week” and inserting “91-  
7 week”.

8 **SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGI-**  
9 **BILITY PERIOD.**

10 Section 233 of the Trade Act of 1974 (19 U.S.C.  
11 2293) is amended by adding at the end the following:

12 “(g) SPECIAL RULE FOR CALCULATING SEPARA-  
13 TION.—Notwithstanding any other provision of this chap-  
14 ter, any period during which a judicial or administrative  
15 appeal is pending with respect to the denial by the Sec-  
16 retary of a petition under section 223 shall not be counted  
17 for purposes of calculating the period of separation under  
18 subsection (a)(2) or for purposes of calculating time peri-  
19 ods specified in section 231(a)(5)(A).

20 “(h) SPECIAL RULE FOR JUSTIFIABLE CAUSE.—The  
21 Secretary may extend the periods during which trade read-  
22 justment allowances are payable to an adversely affected  
23 worker under paragraphs (2) and (3) of subsection (a) and  
24 under subsection (f) (but not the maximum amounts of  
25 such allowances that are payable under this section), and

1 the periods specified in section 231(a)(5)(A), if the Sec-  
2 retary determines that there is justifiable cause for such  
3 an extension, such as the failure to provide the worker  
4 with timely information, or justifiable breaks in training  
5 that exceed the period allowable under subsection (e).”.

6 **SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS**

7 **ON GOOD CAUSE FOR WAIVER OF TIME LIM-**  
8 **ITS OR LATE FILING OF CLAIMS.**

9 Section 234 of the Trade Act of 1974 (19 U.S.C.  
10 2294) is amended—

11 (1) by striking “Except where inconsistent” and  
12 inserting “(a) IN GENERAL.—Except where incon-  
13 sistent”; and

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

15 “(b) STATE LAWS AND REGULATIONS ON GOOD  
16 CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING  
17 OF CLAIMS.—Any law or regulation of a cooperating State  
18 under section 239 that allows for a waiver for good cause  
19 of any time limit, including a waiver for good cause to  
20 allow the late filing of any claim, for trade readjustment  
21 allowances or other adjustment assistance under this  
22 chapter shall, in the administration of the program by the  
23 State under this chapter, apply to the applicable time limi-  
24 tation referred to or specified in this chapter or any regu-  
25 lation prescribed to carry out this chapter.”.

1 **SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERV-**  
2 **ICES.**

3 (a) IN GENERAL.—Section 235 of the Trade Act of  
4 1974 (19 U.S.C. 2295) is amended to read as follows:

5 **“SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERV-**  
6 **ICES.**

7 “The Secretary shall provide, directly or through  
8 agreements with States under section 239, to adversely  
9 affected workers covered by a certification under sub-  
10 chapter A of this chapter the following employment and  
11 case management services:

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

14 “(A) diagnostic testing and use of other  
15 assessment tools; and

16 “(B) in-depth interviewing and evaluation  
17 to identify employment barriers and appropriate  
18 employment goals.

19 “(2) Development of an individual employment  
20 plan to identify employment goals and objectives,  
21 and appropriate training to achieve those goals and  
22 objectives.

23 “(3) Information on training available in local  
24 and regional areas, information on individual coun-  
25 seling to determine which training is suitable train-

1 ing, and information on how to apply for such train-  
2 ing.

3 “(4) Information on how to apply for financial  
4 aid, including referring workers to educational op-  
5 portunity centers under section 402F of the Higher  
6 Education Act of 1965, where applicable, and noti-  
7 fying workers that the workers may ask financial aid  
8 administrators at institutions of higher education to  
9 allow use of their current year income in the finan-  
10 cial aid process.

11 “(5) Short-term prevocational services, includ-  
12 ing development of learning skills, communications  
13 skills, interviewing skills, punctuality, personal main-  
14 tenance skills, and professional conduct to prepare  
15 individuals for employment or training.

16 “(6) Individual career counseling, including job  
17 search and placement counseling, during the period  
18 in which the individual is receiving a trade adjust-  
19 ment allowance or training under this chapter, and  
20 for purposes of job placement after receiving such  
21 training.

22 “(7) Provision of employment statistics infor-  
23 mation, including the provision of accurate informa-  
24 tion relating to local, regional, and national labor  
25 market areas, including—

1           “(A) job vacancy listings in such labor  
2 market areas;

3           “(B) information on jobs skills necessary  
4 to obtain jobs identified in job vacancy listings  
5 described in subparagraph (A);

6           “(C) information relating to local occupa-  
7 tions that are in demand and earnings potential  
8 of such occupations; and

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

11          “(8) Supportive services, including services re-  
12 lating to child care, transportation, dependent care,  
13 housing assistance, and need-related payments that  
14 are necessary to enable an individual to participate  
15 in training.”.

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

“235. Employment and case management services.”.

19 **SEC. 127. TRAINING.**

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

23          (b) FUNDING.—Subsection (a)(2) of such section is  
24 amended—

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

1       “(A) The total amount of payments that may be  
2 made under paragraph (1) for each of the fiscal years  
3 2008 and 2009 shall not exceed \$440,000,000. The total  
4 amount of payments that may be made under paragraph  
5 (1) for fiscal year 2010 and each subsequent fiscal year  
6 shall not exceed \$660,000,000.”; and

7               (2) by striking subparagraph (B) and inserting  
8 the following:

9       “(B) Not later than 120 days after the date of the  
10 enactment of the Trade and Globalization Assistance Act  
11 of 2007, the Secretary shall establish and implement pro-  
12 cedures for the allocation among the States in each fiscal  
13 year of funds available to pay the costs of training for  
14 workers under this section. The Secretary shall, at least  
15 60 days before the date on which the procedures described  
16 in this subparagraph are first implemented, consult with  
17 the Committee on Ways and Means of the House of Rep-  
18 resentatives and the Committee on Finance of the Senate  
19 with respect to such procedures.

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

22               “(i) provide for at least 3 distributions of funds  
23 available for training in the fiscal year, and, in the  
24 first such distribution, disburse not more than 50

1 percent of the total amount of funds available for  
2 training in that fiscal year;

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

6 “(I) the number of workers certified under  
7 sections 223 and 223A in the preceding fiscal  
8 year;

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

12 “(III) the minimum level of funding nec-  
13 essary to provide training approved under this  
14 section; and

15 “(IV) notifications under the Worker Ad-  
16 justment and Retraining Notification Act or  
17 other layoff notifications;

18 “(iii) after the initial distribution of training  
19 funds to States at the beginning of each fiscal year,  
20 provide for subsequent distributions of training  
21 funds remaining, based on the factors described in  
22 clause (ii) (but, in the case of the factor described  
23 in subclause (I) of clause (ii), based on data from  
24 the preceding 2 fiscal quarters) if a State requests  
25 the distribution of the remaining funds;

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

4           “(v) develop an explicit policy for re-capture  
5 and redistribution of training funds, to the extent  
6 such re-capture and redistribution of training funds  
7 is necessary.”.

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

10           (1) by striking “The Secretary” and inserting  
11           “(A) Subject to subparagraph (B), the Secretary”;  
12           and

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

14           “(B)(i) In determining under paragraph (1)(E)  
15 whether a worker is qualified to undertake and complete  
16 training, the Secretary may not disallow training for a pe-  
17 riod longer than the worker’s period of eligibility for trade  
18 readjustment allowances under part I if the worker dem-  
19 onstrates that the worker has sufficient financial resources  
20 to complete the training after the expiration of the work-  
21 er’s period of eligibility for such trade readjustment allow-  
22 ances.

23           “(ii) In determining the reasonable cost of training  
24 under paragraph (1)(F) with respect to a worker, the Sec-  
25 retary may consider whether other public or private funds

1 are reasonably available to the worker, except that the  
2 Secretary may not require a worker to obtain such funds  
3 as a condition of approval of training under paragraph  
4 (1).”.

5 (d) DETERMINATIONS OF ELIGIBILITY BY STATE  
6 EMPLOYEES APPOINTED ON MERIT BASIS.—Such section  
7 is further amended—

8 (1) by redesignating subsections (e) and (f) as  
9 subsections (f) and (g), respectively; and

10 (2) by inserting after subsection (d) the fol-  
11 lowing:

12 “(e) DETERMINATIONS OF ELIGIBILITY BY STATE  
13 EMPLOYEES APPOINTED ON MERIT BASIS.—All deter-  
14 minations of eligibility for training under this section shall  
15 be made by employees of the State who are appointed on  
16 a merit basis.”.

17 (e) GAO STUDY AND REPORT.—

18 (1) STUDY.—The Comptroller General of the  
19 United States shall conduct a study of the proce-  
20 dures for the allocation of training funds for workers  
21 under subparagraphs (B) and (C) of section  
22 236(a)(2) of the Trade Act of 1974 (19 U.S.C.  
23 2296), as added by subsection (a) of this section,  
24 that are established and implemented by the Sec-  
25 retary of Labor pursuant to such section. In car-

1 rying out the study, the Comptroller General shall  
2 examine the overall adequacy of funding for training  
3 for workers by State and the effectiveness of the  
4 procedures for allocating training funds between  
5 States and among workers.

6 (2) REPORTS.—

7 (A) INTERIM REPORT.—The Comptroller  
8 General of the United States shall submit to  
9 the Committee on Ways and Means of the  
10 House of Representatives and the Committee  
11 on Finance of the Senate an interim report that  
12 contains the results of the study conducted  
13 under paragraph (1) for the first fiscal year  
14 with respect to which the procedures described  
15 in paragraph (1) are implemented.

16 (B) FINAL REPORT.—The Comptroller  
17 General of the United States shall submit to  
18 the Committee on Ways and Means of the  
19 House of Representatives and the Committee  
20 on Finance of the Senate a final report that  
21 contains the results of the study conducted  
22 under paragraph (1) for the first three fiscal  
23 years with respect to which the procedures de-  
24 scribed in paragraph (1) are implemented.

1 **SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAIN-**  
2 **ING PROGRAMS.**

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

5 (1) in subparagraph (A)—

6 (A) by striking “and” at the end of clause

7 (i);

8 (B) by adding “and” at the end of clause

9 (ii); and

10 (C) by inserting after clause (ii) the fol-  
11 lowing:

12 “(iii) apprenticeship programs registered  
13 under the National Apprenticeship Act (29  
14 U.S.C. 50 et seq.),”;

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

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

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

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

24 (5) in subparagraph (G), as redesignated by  
25 paragraph (1), by striking the period at the end and  
26 inserting “, and”; and

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

2 “(H) any training program or coursework at an  
3 accredited institution of higher education (as defined  
4 in section 102 of the Higher Education Act of  
5 1965), including a training program or coursework  
6 for the purpose of—

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

8 “(ii) completing a degree or certification  
9 that the worker had previously begun at an ac-  
10 credited institution of higher education.

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

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

16 (1) in subsection (a)(2), by inserting “pre-  
17 requisite education or” after “requires a program  
18 of”; and

19 (2) in subsection (f) (as redesignated by section  
20 121(d) of this Act), by inserting “prerequisite edu-  
21 cation or” after “includes a program of”.

1 **SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE**  
2 **AND PROGRAM BENEFITS WHILE IN TRAIN-**  
3 **ING.**

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

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

10 “(1) because the worker—

11 “(A) is enrolled in training approved under  
12 subsection (a); or

13 “(B) left work—

14 “(i) that was not suitable employment  
15 in order to receive such training; or

16 “(ii) that the worker engaged in on a  
17 temporary basis during a break in such  
18 training or a delay in the commencement  
19 of such training; or

20 “(2) because of the application to any such  
21 week in training of the provisions of State law or  
22 Federal unemployment insurance law relating to  
23 availability for work, active search for work, or re-  
24 fusal to accept work.”.

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

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

7 (2) in section 236—

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

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

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

14 “(1) that can reasonably be expected to lead to  
15 suitable employment;

16 “(2) that is compatible with the skills of the  
17 worker;

18 “(3) that—

19 “(A) involves a curriculum through which  
20 the worker learns the skills necessary for the  
21 job for which the worker is being trained; and

22 “(B) can be measured by benchmarks that  
23 indicate that the worker is learning such skills;  
24 and

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

4 **SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT**  
5 **AND CASE MANAGEMENT SERVICES.**

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

10 **“SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE**  
11 **EXPENSES AND EMPLOYMENT AND CASE**  
12 **MANAGEMENT SERVICES.**

13           “(a) ADMINISTRATIVE EXPENSES.—

14           “(1) IN GENERAL.—The Secretary shall provide  
15           to each State that receives a payment under section  
16           236 for a fiscal year an additional payment for such  
17           fiscal year in an amount that is not less than 15  
18           percent of the amount of the payment under section  
19           236.

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

1           “(A) processing of waivers of training re-  
2           quirements under section 231;

3           “(B) collecting of data required under this  
4           chapter; and

5           “(C) providing services under section 235.

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

14          “(b) ADDITIONAL FUNDING FOR EMPLOYMENT AND  
15          CASE MANAGEMENT SERVICES.—

16                 “(1) IN GENERAL.—The Secretary shall provide  
17                 to each State that receives a payment under section  
18                 236 for a fiscal year an additional payment for such  
19                 fiscal year in an amount that is not less than .06  
20                 percent of the total amount of payments that may  
21                 be made in that fiscal year as described in section  
22                 236(a)(2).

23                 “(2) USE OF FUNDS.—A State that receives an  
24                 additional payment under paragraph (1) shall use

1 the payment for providing services under section  
2 235.

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

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

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 236 the following:

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

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

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

16 (1) in subsection (a)(2)(C)(ii), by striking “,  
17 unless the worker received a waiver under section  
18 231(c)”; and

19 (2) in subsection (b)—

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

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

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

3 (1) in subsection (a)(2)(E)(ii), by striking “,  
4 unless the worker received a waiver under section  
5 231(c)”; and

6 (2) in subsection (b)—

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

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

## 11 **Subtitle D—Health Care Provisions**

### 12 **SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE**

#### 13 **ASSISTANCE FOR CERTAIN TAA AND PBGC**

#### 14 **PENSION RECIPIENTS.**

15 (a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

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

19 (2) CONFORMING AMENDMENT.—Subsection (b)  
20 of section 7527 of such Code is amended by striking  
21 “65 percent” and inserting “85 percent”.

22 (b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT  
23 COMPENSATION AND NOT ENROLLED IN TRAINING PRO-  
24 GRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section  
25 35(c) of such Code is amended to read as follows:

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

4                   “(A) is receiving for any day of such  
5                   month a trade readjustment allowance under  
6                   chapter 2 of title II of the Trade Act of 1974,  
7                   or

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

14           An individual shall continue to be treated as an eli-  
15           gible TAA recipient during the first month that such  
16           individual would otherwise cease to be an eligible  
17           TAA recipient by reason of the preceding sentence.”.

18           (c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE  
19           RETROACTIVE TO TAA-RELATED LOSS OF EMPLOY-  
20           MENT.—Subsection (c) of section 35 of such Code is  
21           amended by adding at the end the following new para-  
22           graph:

23                   “(5) RETROACTIVE ELIGIBILITY FOR TAA RE-  
24                   CIPIENTS.—In the case of any individual who is an  
25                   eligible TAA recipient or eligible alternative TAA re-

1 recipient for any month, such individual shall be treat-  
2 ed as an eligible individual for any month which pre-  
3 ceedes such month and which begins after the later  
4 of—

5 “(A) the date of the separation from em-  
6 ployment which gives rise to such individual  
7 being an eligible TAA recipient or eligible alter-  
8 native TAA recipient, or

9 “(B) December 31, 2007.”.

10 (d) CONTINUED QUALIFICATION OF FAMILY MEM-  
11 BERS AFTER CERTAIN EVENTS.—

12 (1) IN GENERAL.—Subsection (g) of section 35  
13 of such Code is amended by redesignating paragraph  
14 (9) as paragraph (10) and inserting after paragraph  
15 (8) the following new paragraph:

16 “(9) CONTINUED QUALIFICATION OF FAMILY  
17 MEMBERS AFTER CERTAIN EVENTS.—

18 “(A) MEDICARE ELIGIBILITY.—In the case  
19 of any month which would be an eligible cov-  
20 erage month with respect to an eligible indi-  
21 vidual but for subsection (f)(2)(A), such month  
22 shall be treated as an eligible coverage month  
23 with respect to such eligible individual solely for  
24 purposes of determining the amount of the  
25 credit under this section with respect to any

1           qualifying family members of such individual  
2           (and any advance payment of such credit under  
3           section 7527). This subparagraph shall only  
4           apply with respect to the first 36 months after  
5           such eligible individual is first entitled to the  
6           benefits described in subsection (f)(2)(A).

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

18          “(C) DEATH.—In the case of the death of  
19          an eligible individual—

20                 “(i) any spouse of such individual (de-  
21                 termined at the time of such death) shall  
22                 be treated as an eligible individual for pur-  
23                 poses of this section and section 7527 for  
24                 a period of 36 months beginning with the  
25                 date of such death, except that the only

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

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

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

23               “(8) CONTINUED QUALIFICATION OF FAMILY  
24          MEMBERS AFTER CERTAIN EVENTS.—

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

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

24           “(C) DEATH.—In the case of the death of  
25 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 subsection for a period of 36  
5           months beginning with the date of such  
6           death, except that the only qualifying fam-  
7           ily members who may be taken into ac-  
8           count with respect to such spouse are those  
9           individuals who were qualifying family  
10          members immediately before such death,  
11          and

12           “(ii) any individual who was a quali-  
13          fying family member of the decedent imme-  
14          diately before such death shall be treated  
15          as an eligible individual for purposes this  
16          subsection for a period of 36 months be-  
17          ginning with the date of such death, except  
18          that no qualifying family members may be  
19          taken into account with respect to such in-  
20          dividual.”.

21          (e) MODIFICATION OF CREDITABLE COVERAGE RE-  
22          QUIREMENT.—

23                 (1) IN GENERAL.—Subparagraph (B) of section  
24          35(e)(2) of such Code is amended to read as follows:

1           “(B) QUALIFYING INDIVIDUAL.—For pur-  
2           poses of this paragraph, the term ‘qualifying in-  
3           dividual’ means an eligible individual and the  
4           qualifying family members of such individual if  
5           such individual meets the requirements of  
6           clauses (iii) and (iv) of subsection (b)(1)(A)  
7           and—

8                   “(i) in the case of an eligible TAA re-  
9                   cipient or an eligible alternative TAA re-  
10                  cipient, has (as of the date on which the  
11                  individual seeks to enroll in the coverage  
12                  described in subparagraphs (B) through  
13                  (H) of paragraph (1)) a period of cred-  
14                  itable coverage (as defined in section  
15                  9801(c)), or

16                  “(ii) in the case of an eligible PBGC  
17                  pension recipient, enrolls in such coverage  
18                  during the 90-day period beginning on the  
19                  later of—

20                          “(I) the last day of the first  
21                          month with respect to which such re-  
22                          cipient becomes an eligible PBGC  
23                          pension recipient, or

24                          “(II) the date of the enactment  
25                          of this subparagraph.”.

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

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

13                   “(I) in the case of an eligible  
14                   TAA recipient or an eligible alter-  
15                   native TAA recipient, has (as of the  
16                   date on which the individual seeks to  
17                   enroll in the coverage described in  
18                   clauses (ii) through (viii) of subpara-  
19                   graph (A)) a period of creditable cov-  
20                   erage (as defined in section 9801(c) of  
21                   such Code), or

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

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

5                   “(bb) the date of the enact-  
6                   ment of this clause.”.

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

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

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

22                         “(D) TAA-ELIGIBLE INDIVIDUALS.—

23                                 “(i) TAA PRE-CERTIFICATION PERIOD  
24                                 RULE.—In the case of a TAA-eligible indi-  
25                                 vidual, the period beginning on the date

1 the individual has a TAA-related loss of  
2 coverage and ending on the date which is  
3 5 days after the postmark date of the no-  
4 tice by the Secretary (or by any person or  
5 entity designated by the Secretary) that  
6 the individual is eligible for a qualified  
7 health insurance costs credit eligibility cer-  
8 tificate for purposes of section 7527 shall  
9 not be taken into account in determining  
10 the continuous period under subparagraph  
11 (A).

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

16 (2) ERISA AMENDMENT.—Section 701(c)(2) of  
17 the Employee Retirement Income Security Act of  
18 1974 (29 U.S.C. 1181(c)(2)) is amended by adding  
19 at the end the following new subparagraph:

20 “(C) TAA-ELIGIBLE INDIVIDUALS.—

21 “(i) TAA PRE-CERTIFICATION PERIOD  
22 RULE.—In the case of a TAA-eligible indi-  
23 vidual, the period beginning on the date  
24 the individual has a TAA-related loss of  
25 coverage and ending on the date that is 5

1 days after the postmark date of the notice  
2 by the Secretary (or by any person or enti-  
3 ty designated by the Secretary) that the  
4 individual is eligible for a qualified health  
5 insurance costs credit eligibility certificate  
6 for purposes of section 7527 of the Inter-  
7 nal Revenue Code of 1986 shall not be  
8 taken into account in determining the con-  
9 tinuous period under subparagraph (A).

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

14 (3) PHSA AMENDMENT.—Section 2701(e)(2)  
15 of the Public Health Service Act (42 U.S.C.  
16 300gg(e)(2)) is amended by adding at the end the  
17 following new subparagraph:

18 “(C) TAA-ELIGIBLE INDIVIDUALS.—

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

1 ty designated by the Secretary) that the  
2 individual is eligible for a qualified health  
3 insurance costs credit eligibility certificate  
4 for purposes of section 7527 of the Inter-  
5 nal Revenue Code of 1986 shall not be  
6 taken into account in determining the con-  
7 tinuous period under subparagraph (A).

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

12 (g) RATING SYSTEM REQUIREMENT FOR CERTAIN  
13 STATE-BASED COVERAGE.—

14 (1) IN GENERAL.—Subparagraph (A) of section  
15 35(e)(2) of such Code is amended by adding at the  
16 end the following new clause:

17 “(v) RATING SYSTEM REQUIRE-  
18 MENT.—In the case of coverage described  
19 in paragraph (1)(F)(ii), the premiums for  
20 such coverage are restricted, based on a  
21 community rating system with respect to  
22 eligible individuals and their qualifying  
23 family members, or based on a rate-band  
24 system under which the maximum rate  
25 which may be charged does not exceed 150

1           percent of the standard rate with respect  
2           to eligible individuals and their qualifying  
3           family members.”.

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

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

22           (h) TERMINATION OF PROGRAM.—

23                      (1) IN GENERAL.—Section 35 of such Code is  
24                      amended by adding at the end the following new  
25                      subsection:

1       “(h) TERMINATION.—An individual shall not be  
2 treated as an eligible individual for purposes of this section  
3 or section 7527 for any month beginning after December  
4 31, 2009, unless such individual was an eligible individual  
5 for a continuous period of months ending with such month  
6 and beginning before such date.”.

7           (2) CONFORMING AMENDMENT.—Subsection (f)  
8 of section 173 of the Workforce Investment Act of  
9 1998 (29 U.S.C. 2918) is amended by adding at the  
10 end the following new paragraph:

11           “(8) TERMINATION.—An individual shall not be  
12 treated as an eligible individual for purposes of this  
13 subsection for any month beginning after December  
14 31, 2009, unless such individual was an eligible indi-  
15 vidual for a continuous period of months ending with  
16 such month and beginning before such date.”.

17           (i) EFFECTIVE DATE.—

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

23           (2) RATING SYSTEM REQUIREMENT.—The  
24 amendments made by subsection (g) shall apply to

1 months beginning after March 31, 2008, in taxable  
2 years ending after such date.

3 (3) DISCRETION TO DELAY EFFECTIVE DATE  
4 FOR PURPOSES OF ADVANCE PAYMENT PROGRAM.—

5 Solely for purposes of carrying out the advance pay-  
6 ment program under section 7527, the Secretary  
7 may provide that one or more amendments made by  
8 subsections (b), (c), and (d) shall not apply to one  
9 or more months beginning before March 31, 2008,  
10 to the extent that the Secretary determines that  
11 such delay is necessary to properly implement any  
12 such amendment as part of such program.

13 (j) GAO STUDY AND REPORT.—

14 (1) STUDY.—The Comptroller General of the  
15 United States shall conduct a study regarding the  
16 health insurance tax credit allowed under section 35  
17 of the Internal Revenue Code of 1986.

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

23 (A) the administrative costs—

24 (i) of the Federal Government with  
25 respect to such credit and the advance pay-

1                   ment of such credit under section 7527 of  
2                   such Code, and

3                   (ii) of providers of qualified health in-  
4                   surance with respect to providing such in-  
5                   surance to eligible individuals and their  
6                   qualifying family members,

7                   (B) the health status and relative risk sta-  
8                   tus of eligible individuals and qualifying family  
9                   members covered under such insurance,

10                  (C) participation in such credit and the ad-  
11                  vance payment of such credit by eligible individ-  
12                  uals and their qualifying family members, in-  
13                  cluding the reasons why such individuals did or  
14                  did not participate and the effect of the amend-  
15                  ments made by this section on such participa-  
16                  tion, and

17                  (D) the extent to which eligible individuals  
18                  and their qualifying family members—

19                   (i) obtained health insurance other  
20                   than qualifying health insurance, or

21                   (ii) went without health insurance cov-  
22                   erage.

23                  (3) ACCESS TO RECORDS.—For purposes of  
24                  conducting the study required under this subsection,  
25                  the Comptroller General and any of his duly author-

1        ized representatives shall have access to, and the  
2        right to examine and copy, all documents, records,  
3        and other recorded information—

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

6                (B) determined by the Comptroller General  
7        (or any such representative) to be relevant to  
8        the study.

9        The Comptroller General shall not disclose the iden-  
10        tity of any provider of qualified health insurance or  
11        any eligible individual in making any information ob-  
12        tained under this section available to the public.

13                (4) DEFINITIONS.—Any term which is defined  
14        in section 35 of the Internal Revenue Code of 1986  
15        shall have the same meaning when used in this sub-  
16        section.

17 **SEC. 142. EXTENSION OF COBRA BENEFITS FOR CERTAIN**  
18                **TAA-ELIGIBLE INDIVIDUALS AND PBGC RE-**  
19                **CIPIENTS.**

20                (a) ERISA AMENDMENTS.—Section 602(2)(A) of the  
21        Employee Retirement Income Security Act of 1974 (29  
22        U.S.C. 1162(2)(A)) is amended—

23                (1) by moving clause (v) to after clause (iv) and  
24        before the flush left sentence beginning with “In the  
25        case of a qualified beneficiary”;

1           (2) by striking “In the case of a qualified bene-  
2           fiary” and inserting the following:

3                   “(vi) SPECIAL RULE FOR DIS-  
4                   ABILITY.—In the case of a qualified bene-  
5                   fiary”; and

6           (3) by redesignating clauses (v) and (vi), as  
7           amended by paragraphs (1) and (2), as clauses (viii)  
8           and (ix) and by inserting after clause (iv) the fol-  
9           lowing new clauses:

10                   “(v) SPECIAL RULE FOR PBGC RECIPI-  
11                   ENTS.—In the case of a qualifying event  
12                   described in section 603(2) with respect to  
13                   a covered employee who (as of such quali-  
14                   fying event) has a nonforeitable right to a  
15                   benefit any portion of which is to be paid  
16                   by the Pension Benefit Guaranty Corpora-  
17                   tion under title IV, notwithstanding clause  
18                   (i) or (ii), the date of the death of the cov-  
19                   ered employee, or in the case of the sur-  
20                   viving spouse or dependent children of the  
21                   covered employee, 36 months after the  
22                   date of the death of the covered employee.

23                   “(vi) SPECIAL RULE FOR TAA-ELIGI-  
24                   BLE INDIVIDUALS.—In the case of a quali-  
25                   fying event described in section 603(2)

1 with respect to a covered employee who is  
2 (as of the date that the period of coverage  
3 would, but for this clause or clause (vii),  
4 otherwise terminate under clause (i) or  
5 (ii)) a TAA-eligible individual (as defined  
6 in section 605(b)(4)(B)), the period of cov-  
7 erage shall not terminate by reason of  
8 clause (i) or (ii), as the case may be, be-  
9 fore the later of the date specified in such  
10 clause or the date on which such individual  
11 ceases to be such a TAA-eligible individual.

12 “(vii) SPECIAL RULE FOR CERTAIN  
13 TAA-ELIGIBLE INDIVIDUALS.—In the case  
14 of a qualifying event described in section  
15 603(2) with respect to a covered employee  
16 who is (as of the date that the period of  
17 coverage would, but for this clause or  
18 clause (vi), otherwise terminate under  
19 clause (i) or (ii)) a TAA-eligible individual  
20 (as defined in section 605(b)(4)(B)) and  
21 who (as of such qualifying event) has  
22 attained age 55 or has completed 10 or  
23 more years of service with the employer,  
24 clauses (i) and (ii) shall not apply.”.

1 (b) IRC AMENDMENTS.—Clause (i) of section  
2 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is  
3 amended—

4 (1) by striking “In the case of a qualified bene-  
5 ficiary” and inserting the following:

6 “(VI) SPECIAL RULE FOR DIS-  
7 ABILITY.—In the case of a qualified  
8 beneficiary”, and

9 (2) by redesignating subclauses (V) and (VI),  
10 as amended by paragraph (1), as subclauses (VIII)  
11 and (IX) and by inserting after clause (IV) the fol-  
12 lowing new subclauses:

13 “(V) SPECIAL RULE FOR PBGC  
14 RECIPIENTS.—In the case of a quali-  
15 fying event described in paragraph  
16 (3)(B) with respect to a covered em-  
17 ployee who (as of such qualifying  
18 event) has a nonforeitable right to a  
19 benefit any portion of which is to be  
20 paid by the Pension Benefit Guaranty  
21 Corporation under title IV of the Em-  
22 ployee Retirement Income Security  
23 Act of 1974, notwithstanding sub-  
24 clause (I) or (II), the date of the  
25 death of the covered employee, or in

1 the case of the surviving spouse or de-  
2 pendent children of the covered em-  
3 ployee, 36 months after the date of  
4 the death of the covered employee.

5 “(VI) SPECIAL RULE FOR TAA-  
6 ELIGIBLE INDIVIDUALS.—In the case  
7 of a qualifying event described in  
8 paragraph (3)(B) with respect to a  
9 covered employee who is (as of the  
10 date that the period of coverage  
11 would, but for this subclause or sub-  
12 clause (VII), otherwise terminate  
13 under subclause (I) or (II)) a TAA-el-  
14 ible individual (as defined in para-  
15 graph (5)(C)(iv)(II)), the period of  
16 coverage shall not terminate by reason  
17 of subclause (I) or (II), as the case  
18 may be, before the later of the date  
19 specified in such subclause or the date  
20 on which such individual ceases to be  
21 such a TAA-eligible individual.

22 “(VII) SPECIAL RULE FOR CER-  
23 TAIN TAA-ELIGIBLE INDIVIDUALS.—In  
24 the case of a qualifying event de-  
25 scribed in paragraph (3)(B) with re-

1                   spect to a covered employee who is (as  
2                   of the date that the period of coverage  
3                   would, but for this subclause or sub-  
4                   clause (VI), otherwise terminate under  
5                   subclause (I) or (II)) a TAA-eligible  
6                   individual (as defined in paragraph  
7                   (5)(C)(iv)(II)) and who (as of such  
8                   qualifying event) has attained age 55  
9                   or has completed 10 or more years of  
10                  service with the employer, subclauses  
11                  (I) and (II) shall not apply.”.

12           (c) PHSA AMENDMENTS.—Section 2202(2)(A) of  
13 the Public Health Service Act (42 U.S.C. 300bb-2(2)(A))  
14 is amended—

15           (1) by striking “In the case of a qualified bene-  
16           ficiary” and inserting the following:

17                           “(v) SPECIAL RULE FOR DIS-  
18                           ABILITY.—In the case of a qualified bene-  
19                           ficiary”; and

20           (2) by redesignating clauses (iv) and (v), as  
21           amended by paragraph (1), as clauses (vi) and (vii)  
22           and by inserting after clause (iii) the following new  
23           clauses:

24                           “(iv) SPECIAL RULE FOR TAA-ELIGI-  
25                           BLE INDIVIDUALS.—In the case of a quali-

1           fying event described in section 2203(2)  
2           with respect to a covered employee who is  
3           (as of the date that the period of coverage  
4           would, but for this clause or clause (v),  
5           otherwise terminate under clause (i) or  
6           (ii)) a TAA-eligible individual (as defined  
7           in section 2205(b)(4)(B)), the period of  
8           coverage shall not terminate by reason of  
9           clause (i) or (ii), as the case may be, be-  
10          fore the later of the date specified in such  
11          clause or the date on which such individual  
12          ceases to be such a TAA-eligible individual.

13           “(v) SPECIAL RULE FOR CERTAIN  
14          TAA-ELIGIBLE INDIVIDUALS.—In the case  
15          of a qualifying event described in section  
16          2203(2) with respect to a covered employee  
17          who is (as of the date that the period of  
18          coverage would, but for this clause or  
19          clause (iv), otherwise terminate under  
20          clause (i) or (ii)) a TAA-eligible individual  
21          (as defined in section 2205(b)(4)(B)) and  
22          who (as of such qualifying event) has  
23          attained age 55 or has completed 10 or  
24          more years of service with the employer,  
25          clauses (i) and (ii) shall not apply.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to periods of coverage which would  
 3 (without regard to the amendments made by this section)  
 4 end on or after January 1, 2008.

## 5 **Subtitle E—Wage Insurance**

### 6 **SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-** 7 **ANCE PROGRAM FOR OLDER WORKERS.**

8 (a) IN GENERAL.—Section 246 of the Trade Act of  
 9 1974 (19 U.S.C. 2318) is amended—

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

11 **“REEMPLOYMENT TRADE ADJUSTMENT AS-**  
 12 **SISTANCE”;**

13 (2) in subsection (a)—

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

16 (B) in paragraph (2)(A), by striking “for  
 17 a period not to exceed 2 years” and inserting  
 18 “for the eligibility period under paragraph  
 19 (3)(C)”; and

20 (C) by striking paragraphs (3) through (5)  
 21 and inserting the following:

22 **“(3) ELIGIBILITY.—**

23 **“(A) IN GENERAL.—**A group of workers  
 24 certified under subchapter A as eligible for ad-  
 25 justment assistance under subchapter A is eligi-

1           ble for benefits described in paragraph (2)  
2           under the program established under paragraph  
3           (1).

4           “(B) INDIVIDUAL ELIGIBILITY.—A worker  
5           in a group of workers described in subpara-  
6           graph (A) may elect to receive benefits de-  
7           scribed in paragraph (2) under the program es-  
8           tablished under paragraph (1) if the worker—

9                   “(i) is at least 50 years of age;

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

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

15                   “(II) is employed at least 20 hours  
16                   per week and is enrolled in training ap-  
17                   proved under section 236; and

18                   “(iv) is not employed at the firm from  
19                   which the worker was separated.

20           In the case of a worker described in clause  
21           (iii)(II), the percentage referred to in para-  
22           graph (2)(A) shall be deemed to be a percent-  
23           age equal to  $\frac{1}{2}$  of the ratio of weekly hours of  
24           employment referred to in clause (iii)(II) to  
25           weekly hours of employment of that worker at

1 the time of separation (but not more than 50  
2 percent).

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

14 “(D) TRAINING AND OTHER SERVICES.—A  
15 worker described in subparagraph (B) shall be  
16 eligible to receive training approved under sec-  
17 tion 236 and services under section 235.

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

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

1 ceives a payment described in paragraph (2)(A).”;  
2 and

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

5 (b) EXTENSION OF PROGRAM.—Subsection (b)(1) of  
6 such section is amended by striking “5” and inserting  
7 “10”.

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

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

## 12 **Subtitle F—Other Matters**

### 13 **SEC. 161. RESTRICTION ON ELIGIBILITY FOR PROGRAM** 14 **BENEFITS.**

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

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

20 “No benefit allowances, training, or other employ-  
21 ment services may be provided under this chapter to a  
22 worker who is an alien unless the alien is an individual  
23 lawfully admitted for permanent residence to the United  
24 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 **SEC. 162. AGREEMENTS WITH STATES.**

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

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

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

16 (b) OUTREACH.—Subsection (f) of such section is  
17 amended—

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

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

22 “(4) perform outreach, intake (which may in-  
23 clude worker profiling) and orientation for assistance  
24 and benefits available under this chapter for ad-

1       versely affected workers covered by a certification  
2       under subchapter A of this chapter, and”;

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

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

8       **SEC. 163. FRAUD AND RECOVERY OF OVERPAYMENTS.**

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

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

12                      (A) by striking “may waive” and inserting  
13                      “shall waive”; and

14                      (B) by striking “, in accordance with  
15                      guidelines prescribed by the Secretary,”; and

16              (2) in subparagraph (B), by striking “would be  
17      contrary to equity and good conscience” and insert-  
18      ing “would cause a financial hardship for the indi-  
19      vidual (or the individual’s household, if applicable)  
20      when taking into consideration the income and re-  
21      sources reasonably available to the individual (or  
22      household) and other ordinary living expenses of the  
23      individual (or household)”.

1 **SEC. 164. TECHNICAL AMENDMENTS.**

2 (a) IN GENERAL.—Section 249 of the Trade Act of  
3 1974 (19 U.S.C. 2321) is amended—

4 (1) in the heading, by striking “**SUBPENA**”  
5 and inserting “**SUBPOENA**”; and

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

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

“249. Subpoena power.”.

11 **SEC. 165. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**  
12 **DEPUTY ASSISTANT SECRETARY FOR TRADE**  
13 **ADJUSTMENT ASSISTANCE.**

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

17 **“SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**  
18 **DEPUTY ASSISTANT SECRETARY FOR TRADE**  
19 **ADJUSTMENT ASSISTANCE.**

20 “(a) ESTABLISHMENT.—There is established in the  
21 Department of Labor an office to be known as the Office  
22 of Trade Adjustment Assistance (hereinafter in this sec-  
23 tion referred to as the ‘Office’).

24 “(b) HEAD OF OFFICE.—The head of the Office shall  
25 be the Deputy Assistant Secretary for Trade Adjustment

1 Assistance (hereinafter in this section referred to as the  
2 ‘Deputy Assistant Secretary’), who shall be appointed by  
3 the President, by and with the advice and consent of the  
4 Senate.

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

7 “(1) to oversee and implement the administra-  
8 tion of trade adjustment assistance for workers  
9 under this chapter; and

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

12 “(A) making determinations under section  
13 223 or 223A;

14 “(B) providing information about the pro-  
15 gram and assisting groups of workers and other  
16 parties to prepare petitions or applications for  
17 program benefits under section 225;

18 “(C) ensuring workers covered by a certifi-  
19 cation receive the employment services de-  
20 scribed in section 235;

21 “(D) ensuring States fully comply with  
22 agreements under section 239;

23 “(E) acting as a vigorous advocate for  
24 workers applying for assistance under this  
25 chapter;

1           “(F) receiving complaints, grievances, and  
2 requests for assistance from workers under this  
3 chapter;

4           “(G) establishing and overseeing a hotline  
5 that workers, employers, and other entities may  
6 call to obtain information regarding eligibility  
7 criteria, procedural requirements, and benefits  
8 available under this chapter; and

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

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

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

15 **SEC. 166. COLLECTION OF DATA AND REPORTS; INFORMA-**  
16 **TION TO WORKERS.**

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. 250A. COLLECTION OF DATA AND REPORTS; INFOR-**  
21 **MATION TO WORKERS.**

22       “(a) IN GENERAL.—Not later than 90 days after the  
23 date of the enactment of the Trade and Globalization As-  
24 sistance Act of 2007, the Secretary shall implement a sys-

1 tem to collect and publicly disseminate data on all ad-  
2 versely affected workers who apply for or receive adjust-  
3 ment assistance under this chapter.

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

8 “(1) The number of petitions and number of  
9 workers covered by petitions filed, certified and de-  
10 nied.

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

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

18 “(4) A breakdown of the number of certified  
19 petitions by the cause of dislocation, such as in-  
20 crease in imports, shift in production, and other  
21 causes of eligibility for adjustment assistance.

22 “(5) The number of workers participating in  
23 any aspect of the adjustment assistance program  
24 under this chapter.

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

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

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

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

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

21          “(11) The wages of workers before separation  
22          and any job obtained after receiving benefits under  
23          the trade adjustment assistance program under this  
24          chapter.

1           “(12) The average duration of training that  
2           was completed.

3           “(c) COLLECTION OF DATA FROM STATES.—The  
4 Secretary is authorized to collect such data from the  
5 States as is necessary to carry out this section.

6           “(d) REPORT.—Not later than 16 months after the  
7 date of the enactment of the Trade and Globalization As-  
8 sistance Act of 2007, and annually thereafter, the Sec-  
9 retary shall submit to the Committee on Ways and Means  
10 of the House of Representatives, the Committee on Fi-  
11 nance of the Senate, and any other congressional com-  
12 mittee of appropriate jurisdiction, a report on whether  
13 changes to eligibility requirements, benefits, or training  
14 funding under the trade adjustment assistance program  
15 under this chapter should be made based on the data col-  
16 lected under subsection (b).

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

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

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

1 **SEC. 167. 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. 168. 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. 169. 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 ices” 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 “(B) may determine that increases of im-  
12 ports of like or directly competitive articles or  
13 services exist if customers accounting for a sig-  
14 nificant percentage of the decrease in the sales  
15 of the firm certify to the Secretary that such  
16 customers are obtaining such articles or services  
17 from a foreign country; and

18 “(C) may, in determining whether in-  
19 creased imports of like or directly competitive  
20 articles or services exist, give special consider-  
21 ation to whether it is difficult to demonstrate  
22 an increase of such imports if the share of such  
23 imports relative to production or consumption  
24 in the United States of the article produced or

1 service provided by the firm concerned is al-  
2 ready significant.

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

5 “(A) REQUEST BY PETITIONER.—If re-  
6 quested by a firm, the Secretary shall obtain  
7 the certifications under paragraph (1)(B) in  
8 such manner as the Secretary determines is ap-  
9 propriate.

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

24 “(f) NOTIFICATION TO FIRMS OF AVAILABILITY OF  
25 BENEFITS.—Upon receiving notice from the Secretary of

1 Labor under section 225(c) of the identity of a firm or  
2 firms that are covered by a certification issued under sec-  
3 tion 223 or 223A, the Secretary of Commerce shall notify  
4 such firm or firms of the availability of adjustment assist-  
5 ance under this chapter.”.

6 (b) DEFINITION.—Section 261 of the Trade Act of  
7 1974 (19 U.S.C. 2351) is amended—

8 (1) by striking “For purposes of” and inserting  
9 “(a) FIRM.—For purposes of”; and

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

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

14 **SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE AD-**  
15 **JUSTMENT ASSISTANCE FOR FIRMS.**

16 Section 256(b) of the Trade Act of 1974 (19 U.S.C.  
17 2346(b)) is amended—

18 (1) by striking “and \$4,000,000 for the 3-  
19 month period beginning on October 1, 2007,” insert-  
20 ing “and \$50,000,000 for each of fiscal years 2008  
21 through 2012,” after “fiscal years 2003 through  
22 2007,”; and

23 (2) by inserting after the first sentence the fol-  
24 lowing: “Of the amounts appropriated pursuant to  
25 this subsection for each fiscal year, \$350,000 shall

1 be available for full-time positions in the Depart-  
2 ment of Commerce to administer the program under  
3 this chapter.”.

4 **SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOP-**  
5 **MENT OF NEW SERVICES.**

6 Section 265(a) of the Trade Act of 1974 (19 U.S.C.  
7 2355(a)) is amended—

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

11 (2) in the second sentence, by inserting “,  
12 223A,” after “223”.

13 **SEC. 204. DEMONSTRATION PROJECT ON STRATEGIC**  
14 **TRADE TRANSFORMATION ASSISTANCE.**

15 (a) IN GENERAL.—Chapter 3 of title II of the Trade  
16 Act of 1974 (19 U.S.C. 2341 et seq.) is amended by add-  
17 ing at the end the following:

18 **“SEC. 266. DEMONSTRATION PROJECT ON STRATEGIC**  
19 **TRADE TRANSFORMATION ASSISTANCE.**

20 “(a) IN GENERAL.—The Secretary shall conduct a  
21 demonstration project (in this section referred to as the  
22 ‘project’) to demonstrate a programmatic framework that  
23 will allow small- and medium-sized manufacturers in the  
24 United States to gain access to resources that will help  
25 them better compete domestically and globally. The

1 project should include among its primary goals the fol-  
2 lowing:

3           “(1) Expanding the number of firms capable of  
4 taking advantage of a trade remedy program with-  
5 out drastically increasing the cost of the remedy to  
6 the taxpayer.

7           “(2) Certifying and providing assistance to ap-  
8 proximately 700 firms.

9           “(3) Integrating the benefits of other applicable  
10 government programs into the project, and making  
11 benefits from the project subject to that integration.

12           “(4) Increasing the number of small- and me-  
13 dium-sized firms that export and increasing the  
14 value of exports from these firms.

15           “(5) Increasing revenues that small- and me-  
16 dium-sized firms derive from sales to the Federal  
17 Government and State and local governments.

18           “(6) Expanding technology availability to the  
19 small- and medium-sized firm segment by increasing  
20 access to, and adoption of, the latest technologies  
21 being developed at Federal laboratories and at uni-  
22 versities.

23           “(7) Improving the business and manufacturing  
24 practices of small- and medium-sized firms to enable  
25 them to become competitive in a global marketplace.

1 “(b) ADVISORY BOARD.—

2 “(1) IN GENERAL.—In carrying out the project,  
3 the Secretary shall establish an advisory board com-  
4 prised of representatives described in paragraph (2)  
5 to provide advice and recommendations with respect  
6 to the establishment and operation of the project.

7 “(2) REPRESENTATIVES.—Representatives re-  
8 ferred to in paragraph (1) shall consist of the re-  
9 spective executive directors of each Trade Adjust-  
10 ment Assistance Center affiliated with the trade ad-  
11 justment assistance for firms program under this  
12 chapter.

13 “(c) DURATION.—The Secretary shall conduct the  
14 project for the 3-year period beginning on the date that  
15 is 180 days after the date of the enactment of this Act.

16 “(d) ADMINISTRATION OF PROJECT.—In imple-  
17 menting the project, the Secretary shall give preference,  
18 in entering into contracts for the operation and adminis-  
19 tration of the project, to Trade Adjustment Assistance  
20 Centers affiliated with the trade adjustment assistance for  
21 firms program under this chapter.

22 “(e) REPORT.—The Secretary shall submit to the  
23 Congress a report on the project under this section not  
24 later than 6 months after the date of the completion of  
25 the project. Such report shall include—



1 identified in a petition filed under subsection (a) may file  
2 a request to become a party to that petition not later than  
3 30 days after the date notice is published in the Federal  
4 Register and on the Website of the Department of Agri-  
5 culture with respect to that petition.”.

6           **TITLE IV—UNEMPLOYMENT**  
7   **INSURANCE**

8   **SEC. 401. SHORT TITLE.**

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

11   **SEC. 402. 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.



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. 403. 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 “2010”, and

6 (2) by striking “2008” in paragraph (2) and in-  
7 serting “2011”.

8 **SEC. 404. SAFETY NET REVIEW COMMISSION.**

9 (a) ESTABLISHMENT.—The Secretary of Labor shall  
10 establish an advisory commission to be known as the  
11 “Safety Net Review Commission” (hereinafter in this sec-  
12 tion referred to as the “Commission”).

13 (b) FUNCTION.—It shall be the function of the Com-  
14 mission to evaluate the unemployment compensation pro-  
15 gram, the Trade Adjustment Assistance program, the Job  
16 Corps program, a program under the Workforce Invest-  
17 ment Act, and other employment assistance programs, in-  
18 cluding the purpose, goals, countercyclical effectiveness,  
19 coverage, benefit adequacy, trust fund solvency, funding  
20 of State administrative costs, administrative efficiency,  
21 and any other aspects of each such program, as well as  
22 any related provisions of the Internal Revenue Code of  
23 1986, and to make recommendations for their improve-  
24 ment.

25 (c) MEMBERS.—

1           (1) IN GENERAL.—The Commission shall con-  
2           sist of 11 members as follows:

3                   (A) Five members appointed by the Presi-  
4                   dent, to include representatives of business,  
5                   labor, State government, and the public.

6                   (B) Three members appointed by the  
7                   President pro tempore of the Senate, in con-  
8                   sultation with the Chairman and ranking mem-  
9                   ber of the Committee on Finance of the Senate.

10                  (C) Three members appointed by the  
11                  Speaker of the House of Representatives, in  
12                  consultation with the Chairman and ranking  
13                  member of the Committee on Ways and Means  
14                  of the House of Representatives.

15           (2) QUALIFICATIONS.—In appointing members  
16           under subparagraphs (B) and (C) of paragraph (1),  
17           the President pro tempore of the Senate and the  
18           Speaker of the House of Representatives shall each  
19           appoint—

20                   (A) one representative of the interests of  
21                   business,

22                   (B) one representative of the interests of  
23                   labor, and

24                   (C) one representative of the interests of  
25                   State governments.

1           (3) VACANCIES.—A vacancy in the Commission  
2 shall be filled in the manner in which the original  
3 appointment was made.

4           (4) CHAIRMAN.—The President shall appoint  
5 the Chairman of the Commission from among its  
6 members.

7           (d) STAFF AND OTHER ASSISTANCE.—

8           (1) IN GENERAL.—The Commission may en-  
9 gage any technical assistance (including actuarial  
10 services) required by the Commission to carry out its  
11 functions under this section.

12           (2) ASSISTANCE FROM SECRETARY OF  
13 LABOR.—The Secretary of Labor shall provide the  
14 Commission with any staff, office facilities, and  
15 other assistance, and any data prepared by the De-  
16 partment of Labor, required by the Commission to  
17 carry out its functions under this section.

18           (e) COMPENSATION.—Each member of the Commis-  
19 sion—

20           (1) shall be entitled to receive compensation at  
21 the rate of pay for level V of the Executive Schedule  
22 under section 5316 of title 5, United States Code,  
23 for each day (including travel time) during which  
24 such member is engaged in the actual performance  
25 of duties vested in the Commission; and

1           (2) while engaged in the performance of such  
 2           duties away from such member’s home or regular  
 3           place of business, shall be allowed travel expenses  
 4           (including per diem in lieu of subsistence) as author-  
 5           ized by section 5703 of such title 5 for persons in  
 6           the Government employed intermittently.

7           (f) REPORT.—Not later than 6 months after the date  
 8           of the enactment of this Act, the Commission shall submit  
 9           to the President and the Congress a report setting forth  
 10          the findings and recommendations of the Commission as  
 11          a result of its evaluation under this section.

12          (g) TERMINATION.—The Commission shall terminate  
 13          2 months after submitting its report pursuant to sub-  
 14          section (f).

## 15           **TITLE V—MANUFACTURING** 16           **REDEVELOPMENT ZONES**

### 17   **SEC. 501. MANUFACTURING REDEVELOPMENT ZONES.**

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

### 21   **“PART III—MANUFACTURING REDEVELOPMENT** 22   **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.

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

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

6 “(b) LIMITATIONS ON DESIGNATIONS.—The Sec-  
7 retary may designate in the aggregate 24 nominated areas  
8 as manufacturing redevelopment zones, subject to the  
9 availability of eligible nominated areas. The Secretary  
10 shall designate manufacturing redevelopment zones in  
11 such manner that the aggregate population of all such  
12 zones does not exceed 2,000,000.

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

17 “(d) PERIOD FOR WHICH DESIGNATION IS IN EF-  
18 FECT.—

19 “(1) IN GENERAL.—Any designation under this  
20 section shall remain in effect during the period be-  
21 ginning on the date of the designation and ending  
22 on the earliest of—

23 “(A) the close of the 10th calendar year  
24 beginning on or after the date of the designa-  
25 tion,

1           “(B) the termination date designated by  
2           the State and local governments as provided for  
3           in their nomination, or

4           “(C) the date the Secretary revokes the  
5           designation.

6           “(2) REVOCATION OF DESIGNATION.—The Sec-  
7           retary may revoke the designation under this section  
8           of an area if such Secretary determines that the  
9           local government or the State in which it is lo-  
10          cated—

11           “(A) has modified the boundaries of the  
12          area, or

13           “(B) is not complying substantially with,  
14          or fails to make progress in achieving the  
15          benchmarks set forth in, the strategic plan in-  
16          cluded with the application.

17          “(e) LIMITATIONS ON DESIGNATIONS; APPLICA-  
18          TION.—Rules similar to the rules of subsections (e) and  
19          (f) of section 1391 shall apply for purposes of this section  
20          except that the rules of such subsection (f) shall be applied  
21          with respect to the eligibility criteria specified in section  
22          1400U–2.

23          “(f) DETERMINATIONS OF POPULATION.—Any deter-  
24          mination of population under this part shall be made on

1 the basis of the most recent decennial census for which  
2 data are available.

3 **“SEC. 1400U-2. ELIGIBILITY CRITERIA.**

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

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

8 “(2) the nominated area has experienced a sig-  
9 nificant decline in the number of individuals em-  
10 ployed in manufacturing or has a high concentration  
11 of abandoned or underutilized manufacturing facili-  
12 ties, and

13 “(3) no portion of the nominated area is located  
14 in an empowerment zone or renewal community, un-  
15 less the local government which nominated the area  
16 elects to terminate such designation as an empower-  
17 ment zone or renewal community.

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

20 “(1) rules similar to the rules of subsections  
21 (b), (c), and (d) of section 1392 and paragraphs (4),  
22 (7), (8), and (9) of section 1393(a) shall apply, and

23 “(2) any term defined in section 1393 shall  
24 have the same meaning when used in this sub-  
25 chapter.



1 respect to any manufacturing redevelopment zone shall  
2 not exceed \$150,000,000.

3       “(c) **QUALIFIED MANUFACTURING REDEVELOPMENT**  
4 **PURPOSE.**—For purposes of this section, the term ‘quali-  
5 fied manufacturing redevelopment purposes’ means capital  
6 expenditures paid or incurred with respect to property lo-  
7 cated in a manufacturing redevelopment zone for purposes  
8 of promoting development or other economic activity in  
9 such zone, including expenditures for environmental reme-  
10 diation, improvements to public infrastructure, and con-  
11 struction of public facilities.

12       “(d) **DEFINITIONS.**—For purposes of this section,  
13 any term used in this section which is also used in section  
14 54A shall have the same meaning given such term by sec-  
15 tion 54A.

16 **“SEC. 1400U-4. TAX-EXEMPT MANUFACTURING ZONE FACIL-**  
17 **ITY BONDS.**

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

22               “(1) 95 percent or more of the net proceeds (as  
23 defined in section 150(a)(3)) of such issue are to be  
24 used for manufacturing zone property, and

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

4           “(b) LIMITATION ON AMOUNT OF BONDS DES-  
5           IGNATED.—

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

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

16                   “(A) the amount of the refunding bond  
17                   does not exceed the outstanding amount of the  
18                   refunded bond, and

19                   “(B) the refunded bond is redeemed not  
20                   later than 90 days after the date of issuance of  
21                   the refunding bond.

22           “(c) LIMITATION ON AMOUNT OF BONDS ALLOCABLE  
23           TO ANY PERSON.—

24           “(1) IN GENERAL.—Subsection (a) shall not  
25           apply to any issue if the aggregate amount of out-

1 standing manufacturing zone facility bonds allocable  
2 to any person (taking into account such issue) ex-  
3 ceeds—

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

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

8 “(2) AGGREGATE ENTERPRISE ZONE FACILITY  
9 BOND BENEFIT.—For purposes of paragraph (1),  
10 the aggregate amount of outstanding manufacturing  
11 zone facility bonds allocable to any person shall be  
12 determined under rules similar to the rules of sec-  
13 tion 144(a)(10), taking into account only bonds to  
14 which subsection (a) applies.

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

17 “(1) IN GENERAL.—The term ‘manufacturing  
18 zone property’ means any property to which section  
19 168 applies (or would apply but for section 179) if—

20 “(A) such property was acquired by the  
21 taxpayer by purchase (as defined in section  
22 179(d)(2)) after the date on which the designa-  
23 tion of the manufacturing redevelopment zone  
24 took effect,

1           “(B) the original use of which in the man-  
2           ufacturing redevelopment zone commences with  
3           the taxpayer, and

4           “(C) substantially all of the use of which  
5           is in the manufacturing redevelopment zone and  
6           is in the active conduct of a qualified business  
7           by the taxpayer in such zone.

8           “(2) QUALIFIED BUSINESS.—The term ‘quali-  
9           fied business’ means any trade or business except  
10          that—

11           “(A) the rental to others of real property  
12           located in a manufacturing redevelopment zone  
13           shall be treated as a qualified business only if  
14           the property is not residential rental property  
15           (as defined in section 168(e)(2)), and

16           “(B) such term shall not include any trade  
17           or business consisting of the operation of any  
18           facility described in section 144(c)(6)(B).

19           “(3) SPECIAL RULES FOR SUBSTANTIAL REN-  
20           OVATIONS AND SALE-LEASEBACK.—Rules similar to  
21           the rules of subsections (a)(2) and (b) of section  
22           1397D shall apply for purposes of this subsection.

23           “(e) NONAPPLICATION OF CERTAIN RULES.—Sec-  
24           tions 57(a)(5) (relating to tax-exempt interest), 146 (re-  
25           lating to volume cap), and 147(d) (relating to acquisition

1 of existing property not permitted) shall not apply to any  
2 manufacturing zone facility bond.

3 **“SEC. 1400U-5. ADDITIONAL LOW-INCOME HOUSING CRED-**  
4 **ITS.**

5 “(a) IN GENERAL.—For purposes of section 42, in  
6 the case of each calendar year during which the designa-  
7 tion of a manufacturing redevelopment zone is in effect,  
8 the State housing credit ceiling of the State which includes  
9 such manufacturing redevelopment zone shall be increased  
10 by the lesser of—

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

15 “(2) the excess of—

16 “(A) the manufacturing zone housing  
17 amount with respect to such manufacturing re-  
18 development zone, over

19 “(B) the aggregate increases under this  
20 subsection with respect to such zone for all pre-  
21 ceding calendar years.

22 “(b) MANUFACTURING ZONE HOUSING AMOUNT.—  
23 For purposes of subsection (a), the term ‘manufacturing  
24 zone housing amount’ means, with respect to any manu-

1 facturing redevelopment zone, the product of \$20 multi-  
2 plied by the population of such zone.

3 “(c) OTHER RULES.—

4 “(1) CARRYOVERS.—Rules similar to the rules  
5 of section 1400N(c)(1)(C) shall apply for purposes  
6 of this section.

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

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

13 “(B) such allocation shall cease to be  
14 treated as an increase under this subsection for  
15 purposes of subsection (a)(2)(B) until reallo-  
16 cated.”.

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

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

24 (1) GENERAL RULES.—Part IV of subchapter A  
25 of chapter 1 of such Code (relating to credits

1 against tax) is amended by adding at the end the  
2 following new subpart:

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

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

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

6 “(a) ALLOWANCE OF CREDIT.—If a taxpayer holds  
7 a qualified tax credit bond on one or more credit allowance  
8 dates of the bond during any taxable year, there shall be  
9 allowed as a credit against the tax imposed by this chapter  
10 for the taxable year an amount equal to the sum of the  
11 credits determined under subsection (b) with respect to  
12 such dates.

13 “(b) AMOUNT OF CREDIT.—

14 “(1) IN GENERAL.—The amount of the credit  
15 determined under this subsection with respect to any  
16 credit allowance date for a qualified tax credit bond  
17 is 25 percent of the annual credit determined with  
18 respect to such bond.

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

22 “(A) the applicable credit rate, multiplied  
23 by

1           “(B) the outstanding face amount of the  
2           bond.

3           “(3) APPLICABLE CREDIT RATE.—For purposes  
4           of paragraph (2), the applicable credit rate is the  
5           rate which the Secretary estimates will permit the  
6           issuance of qualified tax credit bonds with a speci-  
7           fied maturity or redemption date without discount  
8           and without interest cost to the qualified issuer. The  
9           applicable credit rate with respect to any qualified  
10          tax credit bond shall be determined as of the first  
11          day on which there is a binding, written contract for  
12          the sale or exchange of the bond.

13          “(4) SPECIAL RULE FOR ISSUANCE AND RE-  
14          DEMPTION.—In the case of a bond which is issued  
15          during the 3-month period ending on a credit allow-  
16          ance date, the amount of the credit determined  
17          under this subsection with respect to such credit al-  
18          lowance date shall be a ratable portion of the credit  
19          otherwise determined based on the portion of the 3-  
20          month period during which the bond is outstanding.  
21          A similar rule shall apply when the bond is redeemed  
22          or matures.

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

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

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

7                   “(B) the sum of the credits allowable  
8 under this part (other than subpart C and this  
9 subpart).

10           “(2) CARRYOVER OF UNUSED CREDIT.—If the  
11 credit allowable under subsection (a) exceeds the  
12 limitation imposed by paragraph (1) for such taxable  
13 year, such excess shall be carried to the succeeding  
14 taxable year and added to the credit allowable under  
15 subsection (a) for such taxable year (determined be-  
16 fore the application of paragraph (1) for such suc-  
17 ceeding taxable year).

18           “(d) QUALIFIED TAX CREDIT BOND.—For purposes  
19 of this section—

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

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

3           “(A) IN GENERAL.—An issue shall be  
4           treated as meeting the requirements of this  
5           paragraph if, as of the date of issuance, the  
6           issuer reasonably expects—

7                   “(i) 100 percent or more of the avail-  
8                   able project proceeds to be spent for 1 or  
9                   more qualified purposes within the 3-year  
10                  period beginning on such date of issuance,  
11                  and

12                   “(ii) a binding commitment with a  
13                  third party to spend at least 10 percent of  
14                  such available project proceeds will be in-  
15                  curred within the 6-month period begin-  
16                  ning on such date of issuance.

17           “(B) FAILURE TO SPEND REQUIRED  
18           AMOUNT OF BOND PROCEEDS WITHIN 3  
19           YEARS.—

20                   “(i) IN GENERAL.—To the extent that  
21                  less than 100 percent of the available  
22                  project proceeds of the issue are expended  
23                  by the close of the expenditure period for  
24                  1 or more qualified purposes, the issuer  
25                  shall redeem all of the nonqualified bonds

1 within 90 days after the end of such pe-  
2 riod. For purposes of this paragraph, the  
3 amount of the nonqualified bonds required  
4 to be redeemed shall be determined in the  
5 same manner as under section 142.

6 “(ii) EXPENDITURE PERIOD.—For  
7 purposes of this subpart, the term ‘expend-  
8 iture period’ means, with respect to any  
9 issue, the 3-year period beginning on the  
10 date of issuance. Such term shall include  
11 any extension of such period under clause  
12 (iii).

13 “(iii) EXTENSION OF PERIOD.—Upon  
14 submission of a request prior to the expira-  
15 tion of the expenditure period (determined  
16 without regard to any extension under this  
17 clause), the Secretary may extend such pe-  
18 riod if the issuer establishes that the fail-  
19 ure to expend the proceeds within the  
20 original expenditure period is due to rea-  
21 sonable cause and the expenditures for  
22 qualified purposes will continue to proceed  
23 with due diligence.

24 “(C) QUALIFIED PURPOSE.—For purposes  
25 of this paragraph, the term ‘qualified purpose’

1 means a purpose specified in section 1400U–  
2 3(a)(1).

3 “(D) REIMBURSEMENT.—For purposes of  
4 this subtitle, available project proceeds of an  
5 issue shall be treated as spent for a qualified  
6 purpose if such proceeds are used to reimburse  
7 the issuer for amounts paid for a qualified pur-  
8 pose after the date that the Secretary makes an  
9 allocation of bond limitation with respect to  
10 such issue, but only if—

11 “(i) prior to the payment of the origi-  
12 nal expenditure, the issuer declared its in-  
13 tent to reimburse such expenditure with  
14 the proceeds of a qualified tax credit bond,

15 “(ii) not later than 60 days after pay-  
16 ment of the original expenditure, the issuer  
17 adopts an official intent to reimburse the  
18 original expenditure with such proceeds,  
19 and

20 “(iii) the reimbursement is made not  
21 later than 18 months after the date the  
22 original expenditure is paid.

23 “(3) REPORTING.—An issue shall be treated as  
24 meeting the requirements of this paragraph if the

1 issuer of qualified tax credit bonds submits reports  
2 similar to the reports required under section 149(e).

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

5 “(A) IN GENERAL.—An issue shall be  
6 treated as meeting the requirements of this  
7 paragraph if the issuer satisfies the require-  
8 ments of section 148 with respect to the pro-  
9 ceeds of the issue.

10 “(B) SPECIAL RULE FOR INVESTMENTS  
11 DURING EXPENDITURE PERIOD.—An issue shall  
12 not be treated as failing to meet the require-  
13 ments of subparagraph (A) by reason of any in-  
14 vestment of available project proceeds during  
15 the expenditure period.

16 “(C) SPECIAL RULE FOR RESERVE  
17 FUNDS.—An issue shall not be treated as fail-  
18 ing to meet the requirements of subparagraph  
19 (A) by reason of any fund which is expected to  
20 be used to repay such issue if—

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

23 “(ii) such fund is funded in a manner  
24 that such fund will not exceed the amount  
25 necessary to repay the issue if invested at

1 the maximum rate permitted under clause  
2 (iii), and

3 “(iii) the yield on such fund is not  
4 greater than the discount rate determined  
5 under paragraph (5)(B) with respect to the  
6 issue.

7 “(5) MATURITY LIMITATION.—

8 “(A) IN GENERAL.—An issue shall not be  
9 treated as meeting the requirements of this  
10 paragraph if the maturity of any bond which is  
11 part of such issue exceeds the maximum term  
12 determined by the Secretary under subpara-  
13 graph (B).

14 “(B) MAXIMUM TERM.—During each cal-  
15 endar month, the Secretary shall determine the  
16 maximum term permitted under this paragraph  
17 for bonds issued during the following calendar  
18 month. Such maximum term shall be the term  
19 which the Secretary estimates will result in the  
20 present value of the obligation to repay the  
21 principal on the bond being equal to 50 percent  
22 of the face amount of such bond. Such present  
23 value shall be determined using as a discount  
24 rate the average annual interest rate of tax-ex-  
25 empt obligations having a term of 10 years or

1 more which are issued during the month. If the  
2 term as so determined is not a multiple of a  
3 whole year, such term shall be rounded to the  
4 next highest whole year.

5 “(e) OTHER DEFINITIONS.—For purposes of this  
6 subchapter—

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

9 “(A) March 15,

10 “(B) June 15,

11 “(C) September 15, and

12 “(D) December 15.

13 Such term includes the last day on which the bond  
14 is outstanding.

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

17 “(3) STATE.—The term ‘State’ includes the  
18 District of Columbia and any possession of the  
19 United States.

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

22 “(A) the excess of—

23 “(i) the proceeds from the sale of an  
24 issue, over

1                   “(ii) the issuance costs financed by  
2                   the issue (to the extent that such costs do  
3                   not exceed 2 percent of such proceeds),  
4                   and

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

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

11                  “(g) S CORPORATIONS AND PARTNERSHIPS.—In the  
12 case of a tax credit bond held by an S corporation or part-  
13 nership, the allocation of the credit allowed by this section  
14 to the shareholders of such corporation or partners of such  
15 partnership shall be treated as a distribution.

16                  “(h) BONDS HELD BY REGULATED INVESTMENT  
17 COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—  
18 If any qualified tax credit bond is held by a regulated in-  
19 vestment company or a real estate investment trust, the  
20 credit determined under subsection (a) shall be allowed to  
21 shareholders of such company or beneficiaries of such  
22 trust (and any gross income included under subsection (f)  
23 with respect to such credit shall be treated as distributed  
24 to such shareholders or beneficiaries) under procedures  
25 prescribed by the Secretary.”.

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

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

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

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

20          “(C) REGULATORY AUTHORITY.—The Sec-  
21          retary may prescribe such regulations as are  
22          necessary or appropriate to carry out the pur-  
23          poses of this paragraph, including regulations  
24          which require more frequent or more detailed  
25          reporting.”.

1           (3) OTHER CONFORMING AMENDMENTS RE-  
2           LATED TO TAX CREDIT BONDS.—

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

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

9           (C) Section 6401(b)(1) of such Code is  
10          amended by striking “and H” and inserting  
11          “H, and I”.

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

17          (E) The table of subparts for part IV of  
18          subchapter A of chapter 1 of such Code is  
19          amended by striking the item relating to sub-  
20          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. 502. 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.

4 **TITLE VI—WORKER ADJUST-**  
5 **MENT AND RETRAINING NO-**  
6 **TIFICATION**

7 **SEC. 601. SHORT TITLE.**

8 This title may be cited as the “Early Warning and  
9 Health Care for Workers Affected by Globalization Act”.

10 **SEC. 602. AMENDMENTS TO THE WARN ACT.**

11 (a) DEFINITIONS.—

12 (1) EMPLOYER, PLANT CLOSING, AND MASS  
13 LAYOFF.—Paragraphs (1) through (3) of section  
14 2(a) of the Worker Adjustment and Retraining Noti-  
15 fication Act (29 U.S.C. 2101(a)(1)–(3)) are amend-  
16 ed to read as follows:

17 “(1) the term ‘employer’ means any business  
18 enterprise that employs 100 or more employees;

19 “(2) the term ‘plant closing’ means the perma-  
20 nent or temporary shutdown of a single site of em-  
21 ployment, or of one or more facilities or operating  
22 units within a single site of employment, which re-  
23 sults in an employment loss at such site, during any  
24 30-day period, for 50 or more employees;

1           “(3) the term ‘mass layoff’ means a reduction  
2           in force at a single site of employment which results  
3           in an employment loss at such site, during any 30-  
4           day period, for 50 or more employees.”.

5           (2) SECRETARY OF LABOR.—

6           (A) DEFINITION.—Paragraph (8) of such  
7           section is amended to read as follows:

8           “(8) the term ‘Secretary’ means the Secretary  
9           of Labor or a representative of the Secretary of  
10          Labor.”.

11          (B) REGULATIONS.—Section 8(a) of such  
12          Act (29 U.S.C. 2107(a)) is amended by striking  
13          “of Labor”.

14          (3) CONFORMING AMENDMENTS.—

15          (A) NOTICE.—Section 3(d) of such Act (29  
16          U.S.C. 2102(d)) is amended by striking out “,  
17          each of which is less than the minimum number  
18          of employees specified in section 2(a)(2) or (3)  
19          but which in the aggregate exceed that min-  
20          imum number,” and inserting “which in the ag-  
21          gregate exceed the minimum number of employ-  
22          ees specified in section 2(a)(2) or (3)”.

23          (B) DEFINITIONS.—Section 2(b)(1) of  
24          such Act (29 U.S.C. 2101(b)(1)) is amended by  
25          striking “(other than a part-time employee)”.

1 (b) NOTICE.—

2 (1) NOTICE PERIOD.—

3 (A) IN GENERAL.—Section 3 of the Work-  
4 er Adjustment and Retraining Notification Act  
5 (29 U.S.C. 2102) is amended by striking “60-  
6 day period” and inserting “90-day period” each  
7 place it appears.

8 (B) CONFORMING AMENDMENT.—Section  
9 5(a)(1) of such Act (29 U.S.C. 2104(a)(1)) is  
10 amended in the matter following subparagraph  
11 (B), by striking “60 days” and inserting “90  
12 days”.

13 (2) RECIPIENTS.—Section 3(a) of such Act (29  
14 U.S.C. 2102(a)) is amended—

15 (A) in paragraph (1), by striking “or, if  
16 there is no such representative at that time, to  
17 each affected employee; and” and inserting  
18 “and to each affected employee;”; and

19 (B) by redesignating paragraph (2) as  
20 paragraph (3) and inserting after paragraph  
21 (1) the following:

22 “(2) to the Secretary; and”.

23 (3) INFORMATION REGARDING BENEFITS AND  
24 SERVICES AVAILABLE TO WORKERS AND DOL NO-  
25 TICE TO CONGRESS.—Section 3 of such Act (29

1 U.S.C. 2102) is further amended by adding at the  
2 end the following:

3 “(e) INFORMATION REGARDING BENEFITS AND  
4 SERVICES AVAILABLE TO EMPLOYEES.—Concurrent with  
5 or immediately after providing the notice required under  
6 subsection (a)(1), an employer shall provide affected em-  
7 ployees with information regarding the benefits and serv-  
8 ices available to such employees, as described in the guide  
9 compiled by the Secretary under section 12.

10 “(f) DOL NOTICE TO CONGRESS.—As soon as prac-  
11 ticable and not later than 15 days after receiving notifica-  
12 tion under subsection (a)(2), the Secretary of Labor shall  
13 notify the appropriate Senators and Members of the  
14 House of Representatives who represent the area or areas  
15 where the plant closing or mass layoff is to occur.”.

16 (c) ENFORCEMENT.—

17 (1) AMOUNT.—Section 5(a)(1) of the Worker  
18 Adjustment and Retraining Notification Act (29  
19 U.S.C. 2104(a)(1)) is amended—

20 (A) in subparagraph (A)—

21 (i) by striking “back pay for each day  
22 of violation” and inserting “two days’ pay  
23 multiplied by the number of calendar days  
24 short of 90 that the employer provided no-  
25 tice before such closing or layoff”

1 (ii) in clause (ii), by striking “and” at  
2 the end thereof;

3 (B) by redesignating subparagraph (B) as  
4 subparagraph (C);

5 (C) by inserting after subparagraph (A)  
6 the following:

7 “(B) interest on the amount described in sub-  
8 paragraph (A) calculated at the prevailing rate;  
9 and”; and

10 (D) by striking the matter following sub-  
11 paragraph (C) (as so redesignated).

12 (2) EXEMPTION.—Section 5(a)(4) of such Act  
13 (29 U.S.C. 2104(a)(4)) is amended by striking “re-  
14 duce the amount of the liability or penalty provided  
15 for in this section” and inserting “reduce the  
16 amount of the liability under subparagraph (C) of  
17 paragraph (1) and reduce the amount of the penalty  
18 provided for in paragraph (3)”.

19 (3) ADMINISTRATIVE COMPLAINT.—Section  
20 5(a)(5) of such Act (29 U.S.C. 2104(a)(5)) is  
21 amended—

22 (A) by striking “may sue” and inserting  
23 “may,”;

24 (B) by inserting after “both,” the fol-  
25 lowing: “(A) file a complaint with the Secretary

1           alleging a violation of section 3, or (B) bring  
2           suit”; and

3           (C) by adding at the end thereof the fol-  
4           lowing new sentence: “A person seeking to en-  
5           force such liability may use one or both of the  
6           enforcement mechanisms described in subpara-  
7           graphs (A) and (B).”.

8           (4) ACTION BY THE SECRETARY.—Section 5 of  
9           such Act (29 U.S.C. 2104) is amended—

10           (A) by redesignating subsection (b) as sub-  
11           section (d); and

12           (B) by inserting after subsection (a) the  
13           following new subsections:

14           “(b) ACTION BY THE SECRETARY.—

15           “(1) ADMINISTRATIVE ACTION.—The Secretary  
16           shall receive, investigate, and attempt to resolve  
17           complaints of violations of section 3 by an employer  
18           in the same manner that the Secretary receives, in-  
19           vestigates, and attempts to resolve complaints of vio-  
20           lations of sections 6 and 7 of the Fair Labor Stand-  
21           ards Act of 1938 (29 U.S.C. 206 and 207).

22           “(2) SUBPOENA POWERS.—For the purposes of  
23           any investigation provided for in this section, the  
24           Secretary shall have the subpoena authority provided

1 for under section 9 of the Fair Labor Standards Act  
2 of 1938 (29 U.S.C. 209).

3 “(3) SUMS RECOVERED.—Any sums recovered  
4 by the Secretary on behalf of an employee under  
5 subparagraphs (A), (B), and (D) of section 5(a)(1)  
6 shall be held in a special deposit account and shall  
7 be paid, on order of the Secretary, directly to each  
8 employee affected. Any such sums not paid to an  
9 employee because of inability to do so within a pe-  
10 riod of 3 years, and any sums recovered by the Sec-  
11 retary under subparagraph (C) of section 5(a)(1),  
12 shall be credited as an offsetting collection to the ap-  
13 propriations account of the Secretary of Labor for  
14 expenses for the administration of this Act and shall  
15 remain available to the Secretary until expended.

16 “(c) LIMITATIONS.—

17 “(1) LIMITATIONS PERIOD.—An action may be  
18 brought under this section not later than 2 years  
19 after the date of the last event constituting the al-  
20 leged violation for which the action is brought.

21 “(2) COMMENCEMENT.—In determining when  
22 an action is commenced under this section for the  
23 purposes of paragraph (1), it shall be considered to  
24 be commenced on the date on which the complaint  
25 is filed.”.

1 (d) POSTING OF NOTICES; PENALTIES.—Section 11  
2 of the Worker Adjustment and Retraining Notification Act  
3 (29 U.S.C. 2101 note) is amended to read as follows:

4 **“SEC. 11. POSTING OF NOTICES; PENALTIES.**

5 “(a) POSTING OF NOTICES.—Each employer shall  
6 post and keep posted in conspicuous places upon its prem-  
7 ises where notices to employees are customarily posted a  
8 notice to be prepared or approved by the Secretary setting  
9 forth excerpts from, or summaries of, the pertinent provi-  
10 sions of this chapter and information pertinent to the fil-  
11 ing of a complaint.

12 “(b) PENALTIES.—A willful violation of this section  
13 shall be punishable by a fine of not more than \$500 for  
14 each separate offense.”.

15 (e) NON-WAIVER OF RIGHTS AND REMEDIES; INFOR-  
16 MATION REGARDING BENEFITS AND SERVICES AVAIL-  
17 ABLE TO EMPLOYEES.—Such Act is further amended by  
18 adding at the end the following:

19 **“SEC. 12. RIGHTS AND REMEDIES NOT SUBJECT TO WAIV-  
20 ER.**

21 “(a) IN GENERAL.—The rights and remedies pro-  
22 vided under this Act (including the right to maintain a  
23 civil action) may not be waived, deferred, or lost pursuant  
24 to any agreement or settlement other than an agreement  
25 or settlement described in subsection (b).

1       “(b) AGREEMENT OR SETTLEMENT.—An agreement  
2 or settlement referred to in subsection (a) is an agreement  
3 or settlement negotiated by the Secretary, an attorney  
4 general of any State, or a private attorney on behalf of  
5 affected employees.

6       **“SEC. 13. INFORMATION REGARDING BENEFITS AND SERV-**  
7                                   **ICES AVAILABLE TO WORKERS.**

8       “The Secretary of Labor shall maintain a guide of  
9 benefits and services which may be available to affected  
10 employees, including unemployment compensation, trade  
11 adjustment assistance, COBRA benefits, and early access  
12 to training and other services, including counseling serv-  
13 ices, available under the Workforce Investment Act of  
14 1998. Such guide shall be available on the Internet website  
15 of the Department of Labor and shall include a descrip-  
16 tion of the benefits and services, the eligibility require-  
17 ments, and the means of obtaining such benefits and serv-  
18 ices. Upon receiving notice from an employer under sec-  
19 tion 3(a)(2), the Secretary shall immediately transmit  
20 such guide to such employer.”.

21       (f) NOTICE EXCUSED WHERE CAUSED BY TER-  
22 RORIST ATTACK.—Section 3(b)(2) of the Worker Adjust-  
23 ment and Retraining Notification Act (29 U.S.C.  
24 2102(b)(2)) is amended by adding at the end the following  
25 new subparagraph:

