Union Calendar No. 262

110TH CONGRESS
1ST SESSION

H. R. 3920

[Report No. 110–414, Part I]

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

IN THE HOUSE OF REPRESENTATIVES

October 22, 2007

Mr. Rangel (for himself, Mr. Levin, Mr. McDermott, Mr. George Miller of California, Mr. Smith of Washington, Mr. Stark, Mr. Neal of Massachusetts, Mr. Lewis of Georgia, Mr. McNulty, Mr. Becerra, Mr. Pomeroy, Mrs. Jones of Ohio, Mr. Thompson of California, Mr. Larson of Connecticut, Mr. Emanuel, Mr. Blumenauer, Mr. Kind, Mr. Pascrell, Ms. Berkley, Mr. Crowley, Mr. Van Hollen, Mr. Meek of Florida, Ms. Schwartz, Mr. Davis of Alabama, Mrs. Tauscher, Mr. Baird, Mr. Bishop of New York, Mr. Michaud, Ms. Wasserman Schultz, Mr. Courtney, Mr. Hare, and Mr. Sestak) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

October 29, 2007

Additional sponsors: Ms. Woolsey, Ms. Harman, Mr. Etheridge, Mr. Altmire, Mrs. Gillibrand, Mr. Sarbanes, Mr. Hinojosa, and Mr. Donnelly.

October 29, 2007

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

October 29, 2007

Committees on Education and Labor and Energy and Commerce discharged;
A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Trade and Globalization Assistance Act of 2007”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

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

Sec. 101. Extension of trade adjustment assistance to services sector; shifts in production.
Sec. 102. Determinations by Secretary of Labor.
Sec. 103. Monitoring and reporting relating to service sector.

Subtitle B—Industry-Wide Trade Adjustment Assistance

Sec. 111. Industry-wide determinations.
Sec. 112. Notifications regarding affirmative determinations and safeguards.
Sec. 113. Notification to Secretary of Commerce.
Sec. 114. Restriction on eligibility for program benefits.

Subtitle C—Program Benefits

Sec. 121. Qualifying requirements for workers.
Sec. 122. Weekly amounts.
Sec. 123. Limitations on trade readjustment allowances; allowances for extended training and breaks in training.
Sec. 124. Special rules for calculation of eligibility period.
Sec. 125. Application of State laws and regulations on good cause for waiver of time limits or late filing of claims.
Sec. 126. Employment and case management services.
Sec. 127. Training.
Sec. 128. Prerequisite education; approved training programs.
Sec. 129. Eligibility for unemployment insurance and program benefits while in training.
Sec. 130. Administrative expenses and employment and case management services.
Sec. 131. Job search and relocation allowances.

Subtitle D—Health Care Provisions

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

Subtitle E—Wage Insurance

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

Subtitle F—Other Matters

Sec. 161. Agreements with States.
Sec. 162. Fraud and recovery of overpayments.
Sec. 163. Technical amendments.
Sec. 164. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for Trade Adjustment Assistance.
Sec. 165. Collection of data and reports; information to workers.
Sec. 166. Extension of TAA program.
Sec. 167. Judicial review.
Sec. 168. Liberal construction of certification of workers and firms.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Sec. 201. Trade adjustment assistance for firms.
Sec. 203. Industry-wide programs for the development of new services.
Sec. 204. Demonstration project on strategic trade transformation assistance.

TITLE III—UNEMPLOYMENT INSURANCE

Sec. 301. Short title.
Sec. 302. Special transfers to State accounts in the Unemployment Trust Fund.
Sec. 303. Extension of FUTA tax.
Sec. 304. Safety Net Review Commission.

TITLE IV—MANUFACTURING REDEVELOPMENT ZONES

Sec. 401. Manufacturing redevelopment zones.
Sec. 402. Delay in application of worldwide interest allocation.

1 SEC. 2. FINDINGS.

2 Congress makes the following findings:
(1) Since January 2001, the United States economy has lost nearly 3 million jobs in the manufacturing sector alone.

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

(3) While the United States manufacturing sector has been the hardest hit by increased unemployment, the United States service sector has also seen declines as jobs have moved to low-cost labor markets, such as China, India, and the Philippines.

(4) Promoting the economic growth and competitiveness of the United States requires—

(A) opening substantial new markets for United States goods, services, and farm products;

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

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

(5) Congress created the trade adjustment assistance program in 1962 to provide United States workers who lose their jobs because of foreign competition...
with government-funded training and associated income support to enable such workers to transition to new, good-paying jobs.

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

(7) Workers in the service sector, who make up approximately 80 percent of the United States workforce, are ineligible for trade adjustment assistance.

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

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

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

(11) To meet the challenges posed by globalization and to preserve the critical role that United States workers play in promoting the strength
and prosperity of the United States, the trade adjustment assistance program must be reformed.

**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.**

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

(1) in paragraph (1)—

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

(i) by striking “Secretary” and inserting “Secretary of Labor”; and

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

(B) in subparagraph (A), by striking “firm)” and inserting “firm, and workers in a
service sector firm or subdivision of a service sec-
tor firm, or public agency)”; and

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

(b) GROUP ELIGIBILITY REQUIREMENTS.—

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

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

(B) in paragraph (2)—

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

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

“(B)(i) there has been a shift, by such work-
ers’ firm or subdivision to a foreign country, of
production of articles, or in provision of services,
like or directly competitive with articles that are
produced, or services that are provided, by such
firm or subdivision; or

“(ii) such workers’ firm or subdivision has
obtained or is likely to obtain articles or services
described in clause (i) from a foreign country.”.

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

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

(B) by inserting after subsection (a) the fol-
lowing:

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

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

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

(3) ADVERSELY AFFECTED SECONDARY WORKERS.—Subsection (c) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) in the matter preceding paragraph (1), by striking “agricultural firm)” and inserting “agricultural firm, and workers in a service sector firm or subdivision of a service sector firm)”;

(B) in paragraph (2)—

(i) by inserting “or service” after “related to the article”; and
(ii) by striking “(c)(3)” and inserting “(d)(3)”;

(C) in paragraph (3)(A), by striking “it supplied to the firm (or subdivision)” and inserting “or services it supplied to the firm (or subdivision)”.

(4) DEFINITIONS AND ELIGIBILITY.—Subsection (d) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) by striking “(d) For purposes of this section—” and inserting “(d) DEFINITIONS AND ELIGIBILITY.—For purposes of this section:”

(B) in paragraph (3), to read as follows:
“(3) Downstream Producer.—The term ‘downstream producer’ means a firm that performs additional, value-added production processes or services for a firm or subdivision, including a firm that performs final assembly, finishing, testing, packaging, or maintenance or transportation services directly for another firm (or subdivision), for articles or services that were the basis for a certification of eligibility under subsection (a) of a group of workers employed by such other firm (or subdivision).”;

(C) in paragraph (4)—

(i) by striking “for articles” and inserting “, or services, used in the production of articles or in the provision of services, as the case may be,”; and

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

(D) by adding at the end the following:

“(5) Firms Identified by ITC.—A petition filed under section 221 covering a group of workers from a firm or appropriate subdivision of a firm meets the requirements of subsection (a) if the firm is identified by the International Trade Commission under subsection (c), (d), or (e) of section 224.”.
(5) Basis for Secretary’s Determinations.—Such section is further amended by adding at the end the following:

“(c) Basis for Secretary’s Determinations.—

“(1) Increased imports of services.—For purposes of subsection (a)(2)(A)(ii), the Secretary may determine that increased imports of like or directly competitive services exist if the customers of the workers’ firm or subdivision accounting for not less than 20 percent of the sales of the workers’ firm or subdivision (as the case may be) certify to the Secretary that such customers are obtaining such services from a foreign country.

“(2) Shift in production; obtaining articles or services abroad.—For purposes of subsections (a)(2)(B) and (b)(2), the Secretary may determine that there has been a shift in production of articles or provision of services, or that a workers’ firm or public agency, or subdivision thereof, has obtained or is likely to obtain like or directly competitive articles or services from a foreign country, based on a certification thereof from the workers’ firm, public agency, or subdivision (as the case may be).

“(3) Process and methods for obtaining certifications.—
“(A) Request by petitioner.—If requested by the petitioner, the Secretary shall obtain the certifications under paragraphs (1) and (2) in such manner as the Secretary determines is appropriate, including by issuing subpoenas under section 249 when necessary.

“(B) Protection of confidential information.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.”.

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

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

(2) in paragraph (1)—
(A) by inserting “, or employment in a public agency or appropriate subdivision of a public agency,” after “of a firm”; and

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

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

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

(5) by inserting after paragraph (6) the following:

“(7) The term ‘public agency’ means a department or agency of a State or local government or of the Federal Government.

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

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

SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.

Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended—
(1) in subsection (b), by striking “before his application” and all that follows and inserting “before the worker’s application under section 231 occurred more than one year before the date of the petition on which such certification was granted.”;

(2) in subsection (c), by striking “together with his reasons” and inserting “and on the Website of the Department of Labor, together with the Secretary’s reasons”; and

(3) in subsection (d), by striking “together with his reasons” and inserting “and on the Website of the Department of Labor, together with the Secretary’s reasons”.

SEC. 103. MONITORING AND REPORTING RELATING TO SERVICE SECTOR.

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

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

(2) in the first sentence—

(A) by striking “The Secretary” and inserting “(a) MONITORING PROGRAMS.—The Secretary”;

(B) by inserting “and services” after “imports of articles”;
(C) by inserting “and domestic provision of services” after “domestic production”;

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

(E) by inserting “, or provision of services,” after “changes in production”; and

(3) by adding at the end the following:

“(b) Collection of Data and Reports on Service Sector.—

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

“(2) Secretary of Commerce.—Not later than 1 year after such date of enactment, the Secretary of Commerce shall, in consultation with the Secretary of Labor, conduct a study and report to Congress on ways to improve the timeliness and coverage of data on trade in services, including methods to identify increased imports due to the relocation of United States firms to foreign countries, and increased imports due
to United States firms obtaining services from firms in foreign countries.”.

(b) **CLERICAL AMENDMENT.**—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 282 and inserting the following:

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

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

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

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

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

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

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

“(2) all workers in that domestic industry in a specific geographic region.
“(b) DETERMINATION REGARDING INDUSTRY-WIDE CERTIFICATION.—

“(1) DETERMINATION.—The Secretary shall, not later than 60 days after receiving a request or resolution described in subsection (a) with respect to a domestic industry, or making the third certification of workers in a domestic industry described in subsection (a), as the case may be—

“(A) determine whether all adversely affected workers in that domestic industry are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e); or

“(B) determine whether all adversely affected workers in that domestic industry in a specific geographic region are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e).

“(c) IDENTIFICATION AND CERTIFICATION.—

“(1) AFFIRMATIVE DETERMINATION.—

“(A) IN GENERAL.—Upon making an affirmative determination under subsection (b), the Secretary shall—
“(i) identify all firms operating within
the domestic industry described in para-
graph (1) or (2) or subsection (b) that are
covered by the determination; and

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

“(B) OTHER REQUIREMENTS.—

“(i) IN GENERAL.—Each certification
under subparagraph (A)(ii) shall specify the
date on which the total or partial separa-
tion began or threatened to begin, except
that—

“(I) with respect to a request or a
resolution under subsection (a), such
date may not be a date that precedes
one year before the date on which the
Secretary receives the request or resolu-
tion, as the case may be; and

“(II) with respect to the third cer-
tification of workers in a domestic in-
dustry described in subsection (a), such
date may not be a date that precedes
one year before the date on which the Secretary certifies the 3d such petition.

“(ii) INAPPLICABILITY.—A certification under subparagraph (A)(ii) shall not apply to any worker whose last total or partial separation from the firm occurred before the applicable date specified in clause (i).

“(iii) TRAINING BEFORE SEPARATION.—Any worker covered by a certification under subparagraph (A)(ii) shall be deemed to be an adversely affected worker for purposes of receiving training under section 236, without regard to whether the worker has been totally or partially separated from employment.

“(2) NEGATIVE DETERMINATION.—If the Secretary makes a negative determination under subsection (b), the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the reasons for the Secretary’s determination.

“(3) PUBLICATION.—Upon making a determination under subsection (b), the Secretary shall promptly publish a summary of the determination in the
Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination.

“(4) TERMINATION.—Whenever the Secretary determines that a certification under paragraph (1) is no longer warranted, the Secretary shall terminate the certification and promptly have notice of the termination published in the Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination under this paragraph. Such termination shall apply only with respect to total or partial separations occurring after the termination date specified by the Secretary.

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

“(e) REGULATIONS.—The Secretary shall, not later than 1 year after the date of the enactment of the Trade and Globalization Assistance Act of 2007, issue regulations for making determinations under this section, including criteria for making such determinations. The Secretary shall develop such regulations in consultation with the Com-
mittee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and the Secretary shall submit such regulations to each such committee at least 60 days before the regulations go into effect.

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

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

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

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

(1) in section 225—

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

(B) in subsection (b)—

(i) in paragraph (1), by striking “subchapter A of this chapter” and inserting “this subchapter”; and

(ii) in paragraph (2), by striking “subchapter A” and inserting “this subchapter”; and

(2) in section 231—
(A) in subsection (a)—

   (i) in the matter preceding paragraph (1), by striking “more than 60 days” and all that follows through “section 221” and inserting “on or after the date of such certification”; and

   (ii) in paragraph (1)—

      (I) in subparagraph (B), by inserting “or 223A (as the case may be)” after “223”; and

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

(B) in subsection (b)—

   (i) by striking paragraph (2); and

   (ii) in paragraph (1)—

      (I) by striking “(1)”;

      (II) by redesignating subparagraphs (A) and (B) as paragraph (1) and (2), respectively;

      (III) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and
(IV) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.

SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS AND SAFEGUARDS.

(a) In general.—Section 224 of the Trade Act of 1974 (19 U.S.C. 2274) is amended—

(1) in the heading, by striking “STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION” and inserting “STUDY AND NOTIFICATIONS REGARDING TRADE REMEDY DETERMINATIONS”;

(2) in subsection (a), by striking “Whenever” and inserting “Study of Domestic Industry.—Whenever”;

(3) in subsection (b)—

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

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

(C) by inserting “and on the Website of the Department of Labor” after “Federal Register”; and

(4) by adding at the end the following:
“(c) Notifications Regarding Affirmative Safeguard Determinations Under Section 202.—Upon issuing an affirmative finding regarding serious injury, or the threat thereof, to a domestic industry, under section 202, the Commission shall notify the Secretary and the Secretary of Commerce of that finding and the identity of the firms which comprise the domestic industry.

“(d) Notifications Regarding Affirmative Determinations Under Section 421.—Upon issuing an affirmative determination of market disruption, or the threat thereof, under section 421, the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

“(e) Notifications Regarding Affirmative Determinations Under Tariff Act of 1930.—Upon issuing a final affirmative determination of injury, or the threat thereof, under section 705 or section 735 of the Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

“(f) Notification of Industry and Worker Representatives.—Whenever the Commission makes a notification under subsection (c), (d), or (e)—
“(1) the Secretary shall—

“(A) notify the firms identified by the Com-
misson as comprising the domestic industry af-
fected, and any certified or recognized union or
other duly authorized representatives of the
workers in such industry, of the allowances,
training, employment services, and other benefits
available under this chapter, and the procedures
under this chapter for filing petitions and apply-
ing for benefits;

“(B) notify the Governor of each State in
which one or more firms described in subpara-
graph (A) are located of the Commission’s deter-
mination and the identity of the firms; and

“(C) provide the necessary assistance to em-
ployers, groups of workers, and any certified or
recognized union or other duly authorized rep-
resentatives of such workers to file petitions
under section 221; and

“(2) the Secretary of Commerce shall—

“(A) notify the firms identified by the Com-
mmission as comprising the domestic industry af-
fected of the benefits under chapter 3 and the
procedures under such chapter for filing petitions
and applying for benefits; and
“(B) provide the necessary assistance to firms to file petitions under section 251.”.

(b) Clerical Amendment.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 224 and inserting the following:

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

SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.

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

“(c) Upon issuing a certification under section 223 or 223A, the Secretary shall notify the Secretary of Commerce of the identify of the firm or firms that are covered by the certification.”.

SEC. 114. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

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

“SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

“No benefit allowances, training, or other employment services may be provided under this chapter to a worker who is an alien unless the alien is an individual lawfully admitted for permanent residence to the United States, is lawfully present in the United States, or is permanently residing in the United States under color of law.”.
(b) CONFORMING AMENDMENT.—The table of contents
of the Trade Act of 1974 is amended by adding after the
item relating to section 225 the following:

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

Subtitle C—Program Benefits

SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.

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

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

“(I) in the case of a worker whose most
recent total separation from adversely af-
fected employment that meets the require-
ments of paragraphs (1) and (2) occurs
after the date on which the Secretary issues
a certification covering the worker, the last
day of the 26th week after such total separa-
tion,

“(II) in the case of a worker whose
most recent total separation from adversely
affected employment that meets the require-
ments of paragraphs (1) and (2) occurs be-
fore the date on which the Secretary issues
a certification covering the worker, the last
day of the 26th week after the date of such
certification,”; and

(2) in subclause (III)—

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

(B) by striking “or” at the end;

(3) by redesignating subclause (IV) as subclause
(V); and

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

“(IV) the last day of such period that
the Secretary determines appropriate, if the
failure to enroll is due to the failure to pro-
vide the worker with timely information re-
garding the date specified in subclause (I)
or (II), as the case may be, or”.

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

(1) in paragraph (1)(B)—

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

“(i) IN GENERAL.—The worker pos-
 sesses”;
(B) by moving the remaining text 2 ems to the right; and

(C) by adding at the end the following:

“(ii) MARKETABLE SKILLS DEFINED.—For purposes of clause (i), the term ‘marketable skills’ may include the possession of a postgraduate degree from an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965) or equivalent foreign institution, or the possession of an equivalent postgraduate certification in a specialized field.”; and

(2) in paragraph (3)—

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

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

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

“(B) DURATION OF WAIVERS.—A waiver issued under paragraph (1) by a cooperating State shall be effective for not more than 3 months after the date on which the waiver is issued, except that the State, upon reviewing the waiver, may extend the waiver for an additional
period of not more than 3 months if the State determines that the waiver should be maintained.”.

(c) **Determinations of Eligibility by State Employees Appointed on Merit Basis.**—Such section 231 is further amended by adding at the end the following:

“(d) **Determinations of Eligibility by State Employees Appointed on Merit Basis.**—All determinations of eligibility for trade readjustment allowances under this part shall be made by employees of the State who are appointed on a merit basis.”.

(d) **Conforming Amendment.**—Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended by striking subsection (b) and redesignating subsections (c) through (g) as subsections (b) through (f), respectively.

**SEC. 122. WEEKLY AMOUNTS.**

(a) **In General.**—Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended—

(1) in subsection (a)—

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

(B) by striking “total unemployment” the first place it appears and inserting “unemployment”; and

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

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

(3) by inserting after subsection (a) the following:

“(b)(1) Notwithstanding section 231(a)(3)(B), if an adversely affected worker who is participating in training qualifies for unemployment insurance under State law, based in whole or in part upon part-time or short-term employment following approval of the worker’s initial trade readjustment allowance application under section 231(a), then for any week for which unemployment insurance is payable and for which the worker would otherwise be entitled to a trade readjustment allowance based upon the certification under section 223, the worker shall, in addition to any such unemployment insurance, be paid a trade read-
justment allowance in the amount described in paragraph
(2).

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

“(A) the amount of the unemployment insurance
benefit payable to such worker for that week of unem-
ployment for which a trade readjustment allowance is
payable under paragraph (1); and

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

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

(1) in subsection (a)(1), by striking “section
232(a)” and inserting “subsections (a) and (b) of sec-
tion 232”; and

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

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

Section 233(a) of the Trade Act of 1974 (19 U.S.C.
2293(a)) is amended—
(1) in paragraph (2), by inserting “under paragraph (1)” after “trade readjustment allowance”;

(2) in paragraph (3)—

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

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

(ii) by striking “52-week” and inserting “91-week”; and

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

SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGIBILITY PERIOD.

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

“(g) Special Rule for Calculating Separation.—Notwithstanding any other provision of this chapter, any period during which a judicial or administrative appeal is pending with respect to the denial by the Secretary of a petition under section 223 shall not be counted for purposes of calculating the period of separation under subsection (a)(2) or for purposes of calculating time periods specified in section 231(a)(5)(A).
“(h) Special Rule for Justifiable Cause.—The Secretary may extend the periods during which trade readjustment allowances are payable to an adversely affected worker under paragraphs (2) and (3) of subsection (a) and under subsection (f) (but not the maximum amounts of such allowances that are payable under this section), if the Secretary determines that there is justifiable cause for such an extension, such as the failure to provide the worker with timely information, delays in certification due to administrative reconsideration or judicial review, or justifiable breaks in training that exceed the period allowable under subsection (e).”.

SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS ON GOOD CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING OF CLAIMS.

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

(1) by striking “Except where inconsistent” and inserting “(a) IN GENERAL.—Except where inconsistent”; and

(2) by adding at the end the following:

“(b) State Laws and Regulations on Good Cause for Waiver of Time Limits or Late Filing of Claims.—Any law or regulation of a cooperating State under section 239 that allows for a waiver for good cause
of any time limit, including a waiver for good cause to allow the late filing of any claim, for trade readjustment allowances or other adjustment assistance under this chapter shall, in the administration of the program by the State under this chapter, apply to the applicable time limitation referred to or specified in this chapter or any regulation prescribed to carry out this chapter.”.

SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

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

“SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

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

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

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

“(B) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals."
“(2) Development of an individual employment plan to identify employment goals and objectives, and appropriate training to achieve those goals and objectives.

“(3) Information on training available in local and regional areas, information on individual counseling to determine which training is suitable training, and information on how to apply for such training.

“(4) Information on how to apply for financial aid, including referring workers to educational opportunity centers under section 402F of the Higher Education Act of 1965, where applicable, and notifying workers that the workers may ask financial aid administrators at institutions of higher education to allow use of their current year income in the financial aid process.

“(5) Short-term prevocational services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for employment or training.

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

“(7) Provision of employment statistics information, including the provision of accurate information relating to local, regional, and national labor market areas, including—

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

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

“(C) information relating to local occupations that are in demand and earnings potential of such occupations; and

“(D) skills requirements for local occupations described in subparagraph (C).

“(8) Supportive services, including services relating to child care, transportation, dependent care, housing assistance, and need-related payments that are necessary to enable an individual to participate in training.”.

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

“235. Employment and case management services.”.
SEC. 127. TRAINING.

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

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

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

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

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

“(B) Not later than 120 days after the date of the enactment of the Trade and Globalization Assistance Act of 2007, the Secretary shall establish and implement procedures for the allocation among the States in each fiscal year of funds available to pay the costs of training for workers under this section. The Secretary shall, at least 60 days before the date on which the procedures described in this subparagraph are first implemented, consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate with respect to such procedures.
“(C) In establishing and implementing the procedures under subparagraph (B), the Secretary shall—

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

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

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

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

“(III) the minimum level of funding necessary to provide training approved under this section; and

“(IV) notifications under the Worker Adjustment and Retraining Notification Act or other layoff notifications; 

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

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

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

(c) Determinations Regarding Training.—Subsection (a)(9) of such section is amended—

(1) by striking “The Secretary” and inserting

“(A) Subject to subparagraph (B), the Secretary”;

and

(2) by adding at the end the following:

“(B)(i) In determining under paragraph (1)(E) whether a worker is qualified to undertake and complete training, the Secretary may not disallow training for a period longer than the worker’s period of eligibility for trade readjustment allowances under part I if the worker demonstrates that the worker has sufficient financial resources
to complete the training after the expiration of the worker’s period of eligibility for such trade readjustment allowances.

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

(d) **Determinations of Eligibility by State Employees Appointed on Merit Basis.**—Such section is further amended—

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

(2) by inserting after subsection (d) the following:

“(e) **Determinations of Eligibility by State Employees Appointed on Merit Basis.**—All determinations of eligibility for training under this section shall be made by employees of the State who are appointed on a merit basis.”.

(e) **GAO Study and Report.**—

(1) **Study.**—The Comptroller General of the United States shall conduct a study of the procedures for the allocation of training funds for workers under subparagraphs (B) and (C) of section 236(a)(2) of the
Trade Act of 1974 (19 U.S.C. 2296), as added by subsection (a) of this section, that are established and implemented by the Secretary of Labor pursuant to such section. In carrying out the study, the Comptroller General shall examine the overall adequacy of funding for training for workers by State and the effectiveness of the procedures for allocating training funds between States and among workers.

(2) REPORTS.—

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

(B) FINAL REPORT.—The Comptroller General of the United States shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a final report that contains the results of the study conducted under paragraph (1) for the first three fiscal years with respect to
which the procedures described in paragraph (1) are implemented.

SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAINING PROGRAMS.

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

(1) in subparagraph (A)—

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

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

(C) by inserting after clause (ii) the following:

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

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

(3) by inserting after subparagraph (D) the following:

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

(4) in subparagraph (F)(ii), as redesignated by paragraph (1), by striking “and” at the end;
(5) in subparagraph (G), as redesignated by paragraph (1), by striking the period at the end and inserting “, and”; and

(6) by adding at the end the following:

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

“(i) obtaining a degree or certification; or

“(ii) completing a degree or certification that the worker had previously begun at an accredited institution of higher education.

The Secretary may not limit approval of a training program under paragraph (1) to a program provided pursuant to title I of the Workforce Investment Act of 1998.”.

(b) Conforming Amendments.—Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended—

(1) in subsection (a)(2), by inserting “prerequisite education or” after “requires a program of”; and

(2) in subsection (f) (as redesignated by section 121(d) of this Act), by inserting “prerequisite education or” after “includes a program of”.

• HR 3920 RH
SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE AND PROGRAM BENEFITS WHILE IN TRAINING.

(a) IN GENERAL.—Section 236(d) of the Trade Act of 1974 (19 U.S.C. 2296(d)) is amended to read as follows:

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

“(1) because the worker—

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

“(B) left work—

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

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

“(2) because the provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work apply to a week of training approved under subsection (a).”.

(b) DEFINITION.—Subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.) is amended—
(1) in section 233(d) (as redesignated by section 121(d) of this Act), by inserting “suitable” before “on-the-job training”; and

(2) in section 236—

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

(B) by adding at the end the following:

“(h) SUITABLE ON-THE-JOB TRAINING.—For purposes of this section, the term ‘suitable on-the-job training’ means on-the-job training—

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

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

“(3) that—

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

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

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

•HR 3920 RH
SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

(a) In General.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 et seq.) is amended by inserting after section 236 the following:

“SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

“(a) Administrative Expenses.—

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

“(2) Use of Funds.—A State that receives an additional payment under paragraph (1) shall use the payment for administration of the trade adjustment assistance for workers program under this chapter, including for—

“(A) processing of waivers of training requirements under section 231;

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

“(C) providing services under section 235.

“(3) Administration Requirement.—Funds provided to a State under this subsection for a fiscal
year that are in excess of the amount of funds pro-
vided to the State for administration of the trade ad-
justment assistance for workers program under this
chapter for fiscal year 2007 may only be adminis-
tered by employees of the State who are appointed on
a merit basis.

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

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

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

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

“(c) FUNDING.—Funds provided to the States under
this section shall not be counted toward the limitation con-
tained in section 236(a)(2)(A).”.
(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the item relating to section 236 the following:

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

SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.

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

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

and

(2) in subsection (b)—

(A) in paragraph (1), by striking “90 percent of the cost of” and inserting “all”; and

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

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

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

and

(2) in subsection (b)—

(A) in paragraph (1), by striking “90 percent of the” and inserting “all”; and

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

•HR 3920 RH
Subtitle D—Health Care Provisions

SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE ASSISTANCE FOR CERTAIN TAA AND PBGC PENSION RECIPIENTS.

(a) Increase in Credit Percentage Amount.—

(1) In general.—Subsection (a) of section 35 of the Internal Revenue Code of 1986 is amended by striking “65 percent” and inserting “85 percent”.

(2) Conforming Amendment.—Subsection (b) of section 7527 of such Code is amended by striking “65 percent” and inserting “85 percent”.

(b) TAA Recipients Receiving Unemployment Compensation and Not Enrolled in Training Program Eligible for Credit.—Paragraph (2) of section 35(c) of such Code is amended to read as follows:

“(2) Eligible TAA Recipient.—The term ‘eligible TAA recipient’ means, with respect to any month, any individual who—

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

“(B) who is receiving unemployment compensation (as defined in section 85) for such month and who would be eligible to receive such allowance for such month if section 231 of such
Act were applied without regard to subsections (a)(3)(B) and (a)(5) thereof.

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

(c) Eligibility for Eligible Individuals Made Retroactive to TAA-Related Loss of Employment.— Subsection (c) of section 35 of such Code is amended by adding at the end the following new paragraph:

“(5) Retroactive Eligibility for TAA Recipients.—In the case of any individual who is an eligible TAA recipient or eligible alternative TAA recipient for any month, such individual shall be treated as an eligible individual for any month which precedes such month and which begins after the later of—

“(A) the date of the separation from employment which gives rise to such individual being an eligible TAA recipient or eligible alternative TAA recipient, or

“(B) December 31, 2007.”.

(d) Continued Qualification of Family Members After Certain Events.—

(1) In General.—Subsection (g) of section 35 of such Code is amended by redesignating paragraph (9)
as paragraph (10) and inserting after paragraph (8) the following new paragraph:

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

“(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the amount of the credit under this section with respect to any qualifying family members of such individual (and any advance payment of such credit under section 7527). This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in subsection (f)(2)(A).

“(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual’s spouse, such spouse shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such finalization, except that the only qualifying family
members who may be taken into account with re-
spect to such spouse are those individuals who
were qualifying family members immediately be-
fore such finalization.

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

“(i) any spouse of such individual (de-
termined at the time of such death) shall be
treated as an eligible individual for pur-
poses of this section and section 7527 for a
period of 36 months beginning with the date
of such death, except that the only quali-
fying family members who may be taken
into account with respect to such spouse are
those individuals who were qualifying fam-
ily members immediately before such death,
and

“(ii) any individual who was a quali-
fying family member of the decedent imme-
diately before such death (or, in the case of
an individual to whom paragraph (4) ap-
plies, the taxpayer to whom the deduction
under section 151 is allowable) shall be
treated as an eligible individual for pur-
poses of this section and section 7527 for a
period of 36 months beginning with the date of such death, except that in determining the amount of such credit only such qualifying family member may be taken into account.”

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

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

“(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for paragraph (7)(B)(i), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the eligibility of qualifying family members of such individual under this subsection. This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in paragraph (7)(B)(i).

“(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual
and such individual’s spouse, such spouse shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

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

“(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

“(ii) any individual who was a qualifying family member of the decedent immediately before such death shall be treated as an eligible individual for purposes this sub-
section for a period of 36 months beginning
with the date of such death, except that no
qualifying family members may be taken
into account with respect to such indi-

vidual.”.

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

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

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

“(i) in the case of an eligible TAA re-
cipient or an eligible alternative TAA re-
cipient, has (as of the date on which the in-
dividual seeks to enroll in the coverage de-
scribed in subparagraphs (B) through (H)
of paragraph (1)) a period of creditable cov-

erage (as defined in section 9801(c)), or

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

“(I) the last day of the first month with respect to which such recipient becomes an eligible PBGC pension recipient, or

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

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

“(ii) QUALIFYING INDIVIDUAL.—For purposes of this subparagraph, the term ‘qualifying individual’ means an eligible individual and the qualifying family members of such individual if such individual meets the requirements of clauses (iii) and (iv) of section 35(b)(1)(A) of the Internal Revenue Code of 1986 and—

“(I) in the case of an eligible TAA recipient or an eligible alternative TAA recipient, has (as of the date on which the individual seeks to enroll in the coverage described in clauses (ii)
through (viii) of subparagraph (A)) a period of creditable coverage (as defined in section 9801(c) of such Code), or

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

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

“(bb) the date of the enactment of this clause.”.

(3) OUTREACH.—The Secretary of the Treasury shall carry out a program to notify individuals prior to their becoming eligible PBGC pension recipients (as defined in section 35 of the Internal Revenue Code of 1986) of the requirement of subsection (e)(2)(B)(ii) of such section, as added by this subsection.

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

(1) IRC AMENDMENT.—Section 9801(c)(2) of the Internal Revenue Code of 1986 (relating to not count-
ing periods before significant breaks in creditable coverage) is amended by adding at the end the following new subparagraph:

“(D) TAA-ELIGIBLE INDIVIDUALS.—

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

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

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

“(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

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

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

“(C) TAA-ELIGIBLE INDIVIDUALS.—

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•HR 3920 RH
“(i) TAA PRE-CERTIFICATION PERIOD
RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

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

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

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

“(v) RATING SYSTEM REQUIREMENT.— In the case of coverage described in para-
graph (1)(F)(ii), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.”.

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

“(V) RATING SYSTEM REQUIREMENT.—In the case of coverage described in subparagraph (A)(vi)(II), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with re-
spect to eligible individuals and their qualifying family members.”.

(h) **Termination of Program.**—

(1) **In General.**—Section 35 of such Code is amended by adding at the end the following new subsection:

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

(2) **Conforming Amendment.**—Subsection (f) of section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following new paragraph:

“(8) **Termination.**—An individual shall not be treated as an eligible individual for purposes of this subsection for any month beginning after December 31, 2009, unless such individual was an eligible individual for a continuous period of months ending with such month and beginning before such date.”.

(i) **Effective Date.**—

(1) **In General.**—Except as otherwise provided in this subsection, the amendments made by this sec-
tion shall apply to months beginning after December 31, 2007, in taxable years ending after such date.

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

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

(j) GAO STUDY AND REPORT.—

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

(2) REPORT.—Not later than March 1, 2009, the Comptroller General shall submit a report to Congress regarding the results of the study conducted under
paragraph (1). Such report shall include an analysis of—

(A) the administrative costs—

(i) of the Federal Government with respect to such credit and the advance payment of such credit under section 7527 of such Code, and

(ii) of providers of qualified health insurance with respect to providing such insurance to eligible individuals and their qualifying family members,

(B) the health status and relative risk status of eligible individuals and qualifying family members covered under such insurance,

(C) participation in such credit and the advance payment of such credit by eligible individuals and their qualifying family members, including the reasons why such individuals did or did not participate and the effect of the amendments made by this section on such participation, and

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

(i) obtained health insurance other than qualifying health insurance, or
(ii) went without health insurance coverage.

(3) ACCESS TO RECORDS.—For purposes of conducting the study required under this subsection, the Comptroller General and any of his duly authorized representatives shall have access to, and the right to examine and copy, all documents, records, and other recorded information—

   (A) within the possession or control of providers of qualified health insurance, and
   
   (B) determined by the Comptroller General (or any such representative) to be relevant to the study.

The Comptroller General shall not disclose the identity of any provider of qualified health insurance or any eligible individual in making any information obtained under this section available to the public.

(4) DEFINITIONS.—Any term which is defined in section 35 of the Internal Revenue Code of 1986 shall have the same meaning when used in this subsection.

Subtitle E—Wage Insurance

SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR OLDER WORKERS.

(a) IN GENERAL.—Section 246 of the Trade Act of 1974 (19 U.S.C. 2318) is amended—
(1) by amending the heading to read as follows:

“REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE”;

(2) in subsection (a)—

(A) in paragraph (1), by striking “alternative” and inserting “reemployment”;

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

and

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

“(3) ELIGIBILITY.—

“(A) IN GENERAL.—A group of workers certified under subchapter A as eligible for adjustment assistance under subchapter A is eligible for benefits described in paragraph (2) under the program established under paragraph (1).

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

“(i) is at least 50 years of age;
“(ii) earns not more than $60,000 each year in wages from reemployment;

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

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

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

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

“(C) Eligibility Period for Payments.—A worker in a group of workers described in subparagraph (A) may receive payments described in paragraph (2)(A) under the program established under paragraph (1) for a period not to exceed 2 years from the date on which the worker exhausts all rights to unemployment insurance based on the separation of
the worker from adversely affected employment
or the date on which the worker obtains reem-
ployment, whichever is earlier.

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

“(4) TOTAL AMOUNT OF PAYMENTS.—The pay-
ments described in paragraph (2)(A) made to a work-
er may not exceed $12,000 per worker during the eli-
gibility period under paragraph (3)(C).

“(5) LIMITATION ON OTHER BENEFITS.—A work-
er described in paragraph (3) may not receive a trade
readjustment allowance under part I of subchapter B
during any week for which the worker receives a pay-
ment described in paragraph (2)(A).”; and

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

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

(c) CLERICAL AMENDMENT.—The table of contents for
title II of the Trade Act of 1974 is amended by striking
the item relating to section 246 and inserting the following:

“Sec. 246. Reemployment trade adjustment assistance program.”.
Subtitle F—Other Matters

SEC. 161. AGREEMENTS WITH STATES.

(a) In General.—Subsection (a) of section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended—

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

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

(b) Outreach.—Subsection (f) of such section is amended—

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

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

“(4) perform outreach, intake (which may include worker profiling) and orientation for assistance and benefits available under this chapter for adversely affected workers covered by a certification under subchapter A of this chapter, and”; and

(3) by adding at the end the following:

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

SEC. 162. FRAUD AND RECOVERY OF OVERPAYMENTS.

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

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

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

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

(2) in subparagraph (B), by striking “would be contrary to equity and good conscience” and inserting “would cause a financial hardship for the individual (or the individual’s household, if applicable) when taking into consideration the income and resources reasonably available to the individual (or household) and other ordinary living expenses of the individual (or household)”.

SEC. 163. TECHNICAL AMENDMENTS.

(a) In General.—Section 249 of the Trade Act of 1974 (19 U.S.C. 2321) is amended—

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

(2) in the text, by striking “subpena” and inserting “subpoena” each place it appears.
(b) Clerical Amendment.—The item relating to section 249 in the table of contents for title II of the Trade Act of 1974 is amended to read as follows:

“249. Subpoena power.”.

SEC. 164. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;

DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

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

“SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;

DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

“(a) Establishment.—There is established in the Department of Labor an office to be known as the Office of Trade Adjustment Assistance (hereinafter in this section referred to as the ‘Office’).

“(b) Head of Office.—The head of the Office shall be the Deputy Assistant Secretary for Trade Adjustment Assistance (hereinafter in this section referred to as the ‘Deputy Assistant Secretary’), who shall be appointed by the President, by and with the advice and consent of the Senate.

“(c) Principle Functions.—The principle functions of the Deputy Assistant Secretary shall be—
“(1) to oversee and implement the administration of trade adjustment assistance for workers under this chapter; and

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

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

“(B) providing information about the program and assisting groups of workers and other parties to prepare petitions or applications for program benefits under section 225;

“(C) ensuring workers covered by a certification receive the employment services described in section 235;

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

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

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

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

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

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

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

SEC. 165. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

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

“SEC. 250A. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

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

“(b) DATA TO BE INCLUDED.—The system required under subsection (a) shall include collection of the following data classified by State, industry, and nationwide totals:
“(1) The number of petitions and number of workers covered by petitions filed, certified and denied.

“(2) The date of filing of each petition and the date of the determination, and the average processing time, by year, on petitions.

“(3) A breakdown, by the claimed cause of dislocation, of petitions denied, such as increased imports, shift in production, and other bases for eligibility.

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

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

“(6) Reemployment rates and sectors in which dislocated workers have been employed after receiving adjustment assistance under this chapter.

“(7) The type of adjustment assistance received under this chapter, such as training or education assistance, reemployment adjustment assistance, cash benefits, health coverage, and relocation allowances, the number of workers receiving each type of assist-
ance, and the average duration of time workers receive each type of assistance.

“(8) The fields of training or education in which workers receiving training or education benefits under this chapter are enrolled, the number of workers participating in each field, classified by major types of training or education.

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

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

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

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

“(c) REPORT.—Not later than 16 months after the date of the enactment of the Trade and Globalization Assistance Act of 2007, and annually thereafter, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and any other congressional committee of appropriate jurisdiction, a report on whether changes to eligibility require-
ments, benefits, or training funding under the trade adjust-
ment assistance program under this chapter should be made
based on the data collected under subsection (b).

“(d) AVAILABILITY ON WEBSITE OF THE DEPARTMENT
OF LABOR.—The Secretary shall make the data collected
under subsection (b) publicly available on the website of the
Department of Labor, in a searchable format, and shall up-
date the data quarterly.”.

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

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

SEC. 166. EXTENSION OF TAA PROGRAM.

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

(b) TERMINATION.—Section 285 of the Trade Act of
1974 (19 U.S.C. 2271 note) is amended by striking “Decem-
ber 31, 2007” each place it appears and inserting “Sep-
tember 30, 2012”.

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

SEC. 167. JUDICIAL REVIEW.

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

(1) in subsection (a)—

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

and

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

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

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

“(1) remand the case to such Secretary to take

further evidence; or

“(2) reverse the action of such Secretary.

If the case is remanded under paragraph (1), the Secretary
concerned may make new or modified findings of fact and
may modify the Secretary’s previous action, and shall cer-
tify to the court the record of the further proceedings. The new or modified findings of fact must be supported by sub-
stantial evidence and must be based on a reasonable inves-
tigation.”; and

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

SEC. 168. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

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

“SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

“The provisions of chapter 2 (relating to adjustment assistance for workers) and the provisions of chapter 3 (re-
lating to adjustment assistance for firms) shall be liberally construed in favor of certifying workers for assistance under such chapter 2 and certifying firms for assistance under such chapter 3.”.

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

“Sec. 288. Liberal construction of certification of workers and firms.”.
TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

(a) In General.—Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

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

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting “or service sector firm” after “any agricultural firm”; and

(ii) in subparagraph (B)—

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

(II) in clause (ii)—

(aa) by inserting “or service” after “of an article”; and

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

(III) by adding at the end the following:

“(iii) sales or production, or both, of the firm, during the period consisting of not more than 36 months preceding the most re-
cent 12-month period for which data are available, have decreased absolutely, or

“(iv) sales or production, or both, of an article or service that accounted for not less than 25 percent of the total production or sales of the firm during the 36-month period preceding the most recent 12-month period for which data are available have decreased absolutely, and”;

(B) in the matter preceding subparagraph (A) of paragraph (2), by striking “paragraph (1)(C)—” and inserting “paragraph (1)(C):”;

and

(3) by adding at the end the following:

“(e) BASIS FOR THE DETERMINATION OF THE SECRETARY.—

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

“(A) may use data from any of the preceding three calendar years to determine if the requirements of such subsection have been met;

“(B) may determine that increases of imports of like or directly competitive articles or services exist if customers accounting for a significant percentage of the decrease in the sales of
the firm certify to the Secretary that such customers are obtaining such articles or services from a foreign country; and

“(C) may, in determining whether increased imports of like or directly competitive articles or services exist, give special consideration to whether it is difficult to demonstrate an increase of such imports if the share of such imports relative to production or consumption in the United States of the article produced or service provided by the firm concerned is already significant.

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

“(A) REQUEST BY PETITIONER.—If requested by a firm, the Secretary shall obtain the certifications under paragraph (1)(B) in such manner as the Secretary determines is appropriate.

“(B) PROTECTION OF CONFIDENTIAL INFORMATION.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at
the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.

“(f) Notification to Firms of Availability of Benefits.—Upon receiving notice from the Secretary of Labor under section 225(c) of the identity of a firm or firms that are covered by a certification issued under section 223 or 223A, the Secretary of Commerce shall notify such firm or firms of the availability of adjustment assistance under this chapter.”.

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

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

(2) by adding at the end the following:

“(b) Service Sector Firm.—For purposes of this chapter, the term ‘service sector firm’ means a firm engaged in the business of providing services.”.
SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) by striking “and $4,000,000 for the 3-month period beginning on October 1, 2007,” inserting “and $50,000,000 for each of fiscal years 2008 through 2012,” after “fiscal years 2003 through 2007,”; and

(2) by inserting after the first sentence the following: “Of the amounts appropriated pursuant to this subsection for each fiscal year, $350,000 shall be available for full-time positions in the Department of Commerce to administer the program under this chapter.”.

SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOPMENT OF NEW SERVICES.

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

(1) in the first sentence, by striking “new product development” and inserting “the development of new products and services”; and

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

•HR 3920 RH
SEC. 204. DEMONSTRATION PROJECT ON STRATEGIC TRADE TRANSFORMATION ASSISTANCE.

(a) In General.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by adding at the end the following:

“SEC. 266. DEMONSTRATION PROJECT ON STRATEGIC TRADE TRANSFORMATION ASSISTANCE.

“(a) In General.—The Secretary shall conduct a demonstration project (in this section referred to as the ‘project’) to demonstrate a programmatic framework that will allow small- and medium-sized manufacturers in the United States to gain access to resources that will help them better compete domestically and globally. The project should include among its primary goals the following:

“(1) Expanding the number of firms capable of taking advantage of a trade remedy program without drastically increasing the cost of the remedy to the taxpayer.

“(2) Certifying and providing assistance to approximately 700 firms.

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

“(4) Increasing the number of small- and medium-sized firms that export and increasing the value of exports from these firms.
“(5) Increasing revenues that small- and medium-sized firms derive from sales to the Federal Government and State and local governments.

“(6) Expanding technology availability to the small- and medium-sized firm segment by increasing access to, and adoption of, the latest technologies being developed at Federal laboratories and at universities.

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

“(b) ADVISORY BOARD.—

“(1) In general.—In carrying out the project, the Secretary shall establish an advisory board comprised of representatives described in paragraph (2) to provide advice and recommendations with respect to the establishment and operation of the project.

“(2) Representatives.—Representatives referred to in paragraph (1) shall consist of the respective executive directors of each Trade Adjustment Assistance Center affiliated with the trade adjustment assistance for firms program under this chapter.

“(c) DURATION.—The Secretary shall conduct the project for the 3-year period beginning on the date that is 180 days after the date of the enactment of this Act.
“(d) Administration of Project.—In implementing the project, the Secretary shall give preference, in entering into contracts for the operation and administration of the project, to Trade Adjustment Assistance Centers affiliated with the trade adjustment assistance for firms program under this chapter.

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

“(1) information on the impact of the project on mitigating the impact of imports in terms of competitiveness; and

“(2) recommendations on the cost-effectiveness of extending or expanding the project.

“(f) Funding.—Of the amounts made available to carry out this chapter for fiscal years 2008 through 2012, not more than $1,000,000 for each such fiscal year is authorized to be made available to carry out this section.”.

(b) Clerical Amendment.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the item relating to section 265 the following:

“Sec. 266. Demonstration project on strategic trade transformation assistance.”.
TITLE III—UNEMPLOYMENT INSURANCE

SEC. 301. SHORT TITLE.
This title may be cited as the “Unemployment Insurance Modernization Act”.

SEC. 302. SPECIAL TRANSFERS TO STATE ACCOUNTS IN THE UNEMPLOYMENT TRUST FUND.
(a) IN GENERAL.—Section 903 of the Social Security Act (42 U.S.C. 1103) is amended by adding at the end the following:

“(f)(1)(A) In addition to any other amounts, the Secretary of Labor shall provide for the making of unemployment compensation modernization incentive payments (hereinafter ‘incentive payments’) to the accounts of the States in the Unemployment Trust Fund, by transfer from amounts reserved for that purpose in the Federal unemployment account, in accordance with succeeding provisions of this subsection.

“(B) The maximum incentive payment allowable under this subsection with respect to any State shall, as determined by the Secretary of Labor, be equal to the amount obtained by multiplying $7,000,000,000 times the same ratio as is applicable under subsection (a)(2)(B) for

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purposes of determining such State’s share of any funds to
be transferred under subsection (a) as of October 1, 2007.

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

“(i) one-third shall be transferred to the account
of such State upon a certification under paragraph
(4)(B) that the State law of such State meets the re-
quirements of paragraph (2); and

“(ii) the remainder shall be transferred to the ac-
count of such State upon a certification under para-
graph (4)(B) that the State law of such State meets
the requirements of paragraph (3).

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

“(A) uses a base period that includes the most
recently completed calendar quarter before the start of
the benefit year for purposes of determining eligibility
for unemployment compensation; or

“(B) provides that, in the case of an individual
who would not otherwise be eligible for unemployment
compensation under the State law because of the use
of a base period that does not include the most re-
cently completed calendar quarter before the start of
the benefit year, eligibility shall be determined using
a base period that includes such calendar quarter.
“(3) The State law of a State meets the requirements of this paragraph if such State law includes provisions to carry out at least 2 of the following subparagraphs:

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

“(B) An individual shall not be disqualified from regular unemployment compensation for separating from employment if that separation is for compelling family reasons. For purposes of this subparagraph, the term ‘compelling family reasons’ includes at least the following:

“(i) Domestic violence (verified by such reasonable and confidential documentation as the State law may require) which causes the individual reasonably to believe that such individual’s continued employment would jeopardize the
safety of the individual or of any member of the individual’s immediate family.

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

“(iii) The need for the individual to accompany such individual’s spouse—

“(I) to a place from which it is impractical for such individual to commute; and

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

“(C) Weekly unemployment compensation is payable under this subparagraph to any individual who is unemployed (as determined under the State unemployment compensation law), has exhausted all rights to regular and (if applicable) extended unemployment compensation under the State law, and is enrolled and making satisfactory progress in a State-approved training program or in a job training program authorized under the Workforce Investment Act of 1998. Such program shall prepare individuals who have been separated from a declining occupation, or who have been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual’s place of em-
ployment, for entry into a high-demand occupation.

The amount of unemployment compensation payable
under this subparagraph to an individual for a week
of unemployment shall be equal to the individual’s
average weekly benefit amount (including dependents’
allowances) for the most recent benefit year, and the
total amount of unemployment compensation payable
under this subparagraph to any individual shall be
equal to at least 26 times the individual’s average
weekly benefit amount (including dependents’ allow-
ances) for the most recent benefit year.

“(4)(A) Any State seeking an incentive payment under
this subsection shall submit an application therefor at such
time, in such manner, and complete with such information
as the Secretary of Labor may by regulation prescribe, in-
cluding information relating to compliance with the re-
quirements of paragraph (2) or (3), as well as how the State
intends to use the incentive payment to improve or
strengthen the State’s unemployment compensation pro-
gram. The Secretary of Labor shall, within 90 days after
receiving a complete application, notify the State agency
of the State of the Secretary’s findings with respect to the
requirements of paragraph (2) or (3) (or both).

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

“(C)(i) No certification of compliance with the requirements of paragraph (2) or (3) may be made with respect to any State whose State law is not otherwise eligible for certification under section 303 or approvable under section 3304 of the Federal Unemployment Tax Act.

“(ii) No certification of compliance with the requirements of paragraph (3) may be made with respect to any State whose State law is not in compliance with the requirements of paragraph (2).

“(iii) No application under subparagraph (A) may be considered if submitted before October 1, 2007, or after the latest date necessary (as specified by the Secretary of Labor in regulations) to ensure that all incentive payments under this subsection are made before October 1, 2012.
“(5)(A) Except as provided in subparagraph (B), any amount transferred to the account of a State under this subsection may be used by such State only in the payment of cash benefits to individuals with respect to their unemployment (including for dependents’ allowances and for unemployment compensation under paragraph (3)(C)), exclusive of expenses of administration.

“(B) A State may, subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to ‘subsections (a) and (b)’ in subparagraph (D) thereof to include this subsection), use any amount transferred to the account of such State under this subsection for the administration of its unemployment compensation law and public employment offices.

“(6) Out of any money in the Federal unemployment account not otherwise appropriated, the Secretary of the Treasury shall reserve $7,000,000,000 for incentive payments under this subsection. Any amount so reserved shall not be taken into account for purposes of any determination under section 902, 910, or 1203 of the amount in the Federal unemployment account as of any given time. Any amount so reserved for which the Secretary of the Treasury has not received a certification under paragraph (4)(B) by the deadline described in paragraph (4)(C)(iii) shall, upon
the close of fiscal year 2012, become unrestricted as to use
as part of the Federal unemployment account.

“(7) For purposes of this subsection, the terms ‘benefit
year’, ‘base period’, and ‘week’ have the respective meanings
given such terms under section 205 of the Federal-State Ex-
tended Unemployment Compensation Act of 1970 (26

“Special Transfers in Fiscal Years 2008 Through 2012 for
Administration

“(g)(1) Notwithstanding any other provision of this
section, the total amount available for transfer to the ac-
counts of the States pursuant to subsection (a) as of the
beginning of each of fiscal years 2008, 2009, 2010, 2011,
and 2012 shall be equal to the total amount which (dis-
regarding this subsection) would otherwise be so available,
increased by $100,000,000.

“(2) Each State’s share of any additional amount
made available by this subsection shall be determined, cer-
tified, and computed in the same manner as described in
subsection (a)(2) and shall be subject to the same limita-
tions on transfers as described in subsection (b). For pur-
poses of applying subsection (b)(2), the balance of any ad-
vances made to a State under section 1201 shall be credited
against, and operate to reduce (but not below zero)—
“(A) first, any additional amount which, as a result of the enactment of this subsection, is to be transferred to the account of such State in a fiscal year; and

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

“(3) Any additional amount transferred to the account of a State as a result of the enactment of this subsection—

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

“(i) the administration of the provisions of its State law carrying out the purposes of subsection (f)(2) or any subparagraph of subsection (f)(3);

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

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

“(iv) staff-assisted reemployment services for unemployment compensation claimants; and
“(B) shall be excluded from the application of subsection (c).

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

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

SEC. 303. EXTENSION OF FUTA TAX.

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

(1) by striking “2007” in paragraph (1) and inserting “2010”, and

(2) by striking “2008” in paragraph (2) and inserting “2011”.

SEC. 304. SAFETY NET REVIEW COMMISSION.

(a) ESTABLISHMENT.—The Secretary of Labor shall establish an advisory commission to be known as the “Safety Net Review Commission” (hereinafter in this section referred to as the “Commission”).
(b) FUNCTION.—It shall be the function of the Commis-
sion to evaluate the unemployment compensation program,
the Trade Adjustment Assistance program, the Job Corps
program, a program under the Workforce Investment Act,
and other employment assistance programs, including the
purpose, goals, countercyclical effectiveness, coverage, ben-
efit adequacy, trust fund solvency, funding of State admin-
istrative costs, administrative efficiency, and any other as-
pects of each such program, as well as any related provi-
sions of the Internal Revenue Code of 1986, and to make
recommendations for their improvement.

(c) MEMBERS.—

(1) IN GENERAL.—The Commission shall consist
of 11 members as follows:

(A) 5 members appointed by the President,
to include representatives of business, labor,
State government, and the public.

(B) 3 members appointed by the President
pro tempore of the Senate, in consultation with
the Chairman and ranking member of the Com-
mittee on Finance of the Senate.

(C) 3 members appointed by the Speaker of
the House of Representatives, in consultation
with the Chairman and ranking member of the
Committee on Ways and Means of the House of Representatives.

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

(A) 1 representative of the interests of business,

(B) 1 representative of the interests of labor,

and

(C) 1 representative of the interests of State governments.

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

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

(d) STAFF AND OTHER ASSISTANCE.—

(1) IN GENERAL.—The Commission may engage any technical assistance (including actuarial services) required by the Commission to carry out its functions under this section.
(2) Assistance from Secretary of Labor.—

The Secretary of Labor shall provide the Commission with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Commission to carry out its functions under this section.

(e) Compensation.—Each member of the Commission—

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

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

(f) Report.—Not later than 6 months after the date of the enactment of this Act, the Commission shall submit to the President and the Congress a report setting forth the findings and recommendations of the Commission as a result of its evaluation under this section.
(g) **TERMINATION.**—The Commission shall terminate 2 months after submitting its report pursuant to subsection (f).

**TITLE IV—MANUFACTURING REDEVELOPMENT ZONES**

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

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

“**PART III—MANUFACTURING REDEVELOPMENT ZONES**

“Sec. 1400U–2. Eligibility criteria.
“Sec. 1400U–3. Manufacturing redevelopment tax credit bonds.
“Sec. 1400U–5. Additional low-income housing credits.

“**SEC. 1400U–1. DESIGNATION OF MANUFACTURING REDEVELOPMENT ZONES.**

“(a) **IN GENERAL.**—From among the areas nominated for designation under this section, the Secretary may designate manufacturing redevelopment zones.

“(b) **LIMITATIONS ON DESIGNATIONS.**—The Secretary may designate in the aggregate 24 nominated areas as manufacturing redevelopment zones, subject to the availability of eligible nominated areas. The Secretary shall designate manufacturing redevelopment zones in such manner that the aggregate population of all such zones does not exceed 2,000,000.
“(c) Period Designation May Be Made.—A designation may be made under subsection (a) only during the 2-year period beginning on the date of the enactment of this section.

“(d) Period for Which Designation Is in Effect.—

“(1) In General.—Any designation under this section shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

“(A) the close of the 10th calendar year beginning on or after the date of the designation,

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

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

“(2) Revocation of Designation.—The Secretary may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which it is located—

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

“(B) is not complying substantially with, or fails to make progress in achieving the bench-
marks set forth in, the strategic plan included
with the application

“(e) LIMITATIONS ON DESIGNATIONS; APPLICATION.—

Rules similar to the rules of subsections (e) and (f) of section
1391 shall apply for purposes of this section except that
the rules of such subsection (f) shall be applied with respect
to the eligibility criteria specified in section 1400U–2.

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

“SEC. 1400U–2. ELIGIBILITY CRITERIA.

“(a) IN GENERAL.—A nominated area shall be eligible
for designation under section 1400U–1 only if—

“(1) it meets each of the criteria specified in sec-
tion 1392(a),

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

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

“(b) Application of Certain Rules; Definitions.—For purposes of this subchapter—

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

“(2) any term defined in section 1393 shall have the same meaning when used in this subchapter.

“(c) Discretion to Adjust Requirements.—In determining whether a nominated area is eligible for designation as a manufacturing redevelopment zone, the Secretary may, where necessary to carry out the purposes of this part, waive the requirement of section 1392(a)(4) if it is shown that the nominated area has experienced a loss of manufacturing jobs during the previous 20 years which is in excess of 25 percent.

“SEC. 1400U–3. MANUFACTURING REDEVELOPMENT TAX CREDIT BONDS.

“(a) In General.—For purposes of subpart I of part IV of subchapter A (relating to qualified tax credit bonds), the term ‘manufacturing redevelopment bond’ means any bond issued as part of an issue if—
“(1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified manufacturing redevelopment purposes,

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

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

“(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under subsection (a) with respect to any manufacturing redevelopment zone shall not exceed $150,000,000.

“(c) QUALIFIED MANUFACTURING REDEVELOPMENT PURPOSE.—For purposes of this section, the term ‘qualified manufacturing redevelopment purposes’ means capital expenditures paid or incurred with respect to property located in a manufacturing redevelopment zone for purposes of promoting development or other economic activity in such zone, including expenditures for environmental remediation, improvements to public infrastructure, and construction of public facilities.

“(d) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 54A shall have the same meaning given such term by section 54A.
“SEC. 1400U-4. TAX-EXEMPT MANUFACTURING ZONE FACILITY BONDS.

“(a) IN GENERAL.—For purposes of part IV of subchapter B (relating to tax exemption requirements for State and local bonds), the term ‘exempt facility bond’ includes any bond issued as part of an issue if—

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

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

“(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(1) IN GENERAL.—The aggregate face amount of bonds which may be designated under subsection (a)(2) with respect to any manufacturing redevelopment zone shall not exceed $230,000,000.

“(2) CURRENT REFUNDING NOT TAKEN INTO ACCOUNT.—In the case of a refunding (or series of refundings) of a bond designated under this section, the refunding obligation shall be treated as designated under subsection (a)(2) (and shall not be taken into account in applying paragraph (1)) if—
“(A) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

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

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

“(1) IN GENERAL.—Subsection (a) shall not apply to any issue if the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person (taking into account such issue) exceeds—

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

“(B) $20,000,000 with respect to all manufacturing redevelopment zones.

“(2) AGGREGATE ENTERPRISE ZONE FACILITY BOND BENEFIT.—For purposes of paragraph (1), the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person shall be determined under rules similar to the rules of section 144(a)(10), taking into account only bonds to which subsection (a) applies.
“(d) MANUFACTURING ZONE PROPERTY.—For purposes of this section—

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

“(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on which the designation of the manufacturing redevelopment zone took effect,

“(B) the original use of which in the manufacturing redevelopment zone commences with the taxpayer, and

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

“(2) QUALIFIED BUSINESS.—The term ‘qualified business’ means any trade or business except that—

“(A) the rental to others of real property located in a manufacturing redevelopment zone shall be treated as a qualified business only if the property is not residential rental property (as defined in section 168(e)(2)), and
“(B) such term shall not include any trade
or business consisting of the operation of any fa-
cility described in section 144(c)(6)(B).

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

“(e) NONAPPLICATION OF CERTAIN RULES.—Sections
57(a)(5) (relating to tax-exempt interest), 146 (relating to
volume cap), and 147(d) (relating to acquisition of existing
property not permitted) shall not apply to any manufac-
turing zone facility bond.

“SEC. 1400U–5. ADDITIONAL LOW-INCOME HOUSING CRED-
ITS.

“(a) IN GENERAL.—For purposes of section 42, in the
case of each calendar year during which the designation
of a manufacturing redevelopment zone is in effect, the
State housing credit ceiling of the State which includes such
manufacturing redevelopment zone shall be increased by the
lesser of—

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

“(2) the excess of—
“(A) the manufacturing zone housing amount with respect to such manufacturing redevelopment zone, over

“(B) the aggregate increases under this subsection with respect to such zone for all preceding calendar years.

“(b) MANUFACTURING ZONE HOUSING AMOUNT.—For purposes of subsection (a), the term ‘manufacturing zone housing amount’ means, with respect to any manufacturing redevelopment zone, the product of $20 multiplied by the population of such zone.

“(c) OTHER RULES.—

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

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

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

“(B) such allocation shall cease to be treated as an increase under this subsection for purposes of subsection (a)(2)(B) until reallocated.”. 
(b) Application of Work Opportunity Tax Credit to Manufacturing Redevelopment Zones.—Subparagraphs (A) and (B) of section 51(d)(5) of such Code are each amended by inserting “manufacturing redevelopment zone,” after “renewal community,”.

(c) Conforming Amendments Related to Manufacturing Redevelopment Tax Credit Bonds.—

(1) General Rules.—Part IV of subchapter A of chapter 1 of such Code (relating to credits against tax) is amended by adding at the end the following new subpart:

“Subpart I—Qualified Tax Credit Bonds

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

“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT BONDS.

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

“(b) Amount of Credit.—

“(1) In General.—The amount of the credit determined under this subsection with respect to any
credit allowance date for a qualified tax credit bond is 25 percent of the annual credit determined with respect to such bond.

“(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tax credit bond is the product of—

“(A) the applicable credit rate, multiplied by

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

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

“(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date
shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

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

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

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

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

“(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year (determined before the application of paragraph (1) for such succeeding taxable year).

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

HR 3920 RH
“(1) QUALIFIED TAX CREDIT BOND.—The term ‘qualified tax credit bond’ means a manufacturing re-
development bond (as defined in section 1400U–3) which is part of an issue that meets the requirements of paragraphs (2), (3), (4), (5), and (6).

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

“(A) IN GENERAL.—An issue shall be treat-
ed as meeting the requirements of this paragraph if, as of the date of issuance, the issuer reason-
ably expects—

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

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

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

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

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

“(iii) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the expenditure period (determined without regard to any extension under this clause), the Secretary may extend such period if the issuer establishes that the failure to expend the proceeds within the original expenditure period is due to reasonable cause and the expenditures for qualified
purposes will continue to proceed with due diligence.

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

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

“(i) prior to the payment of the original expenditure, the issuer declared its intent to reimburse such expenditure with the proceeds of a qualified tax credit bond,

“(ii) not later than 60 days after payment of the original expenditure, the issuer adopts an official intent to reimburse the original expenditure with such proceeds, and
“(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

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

“(4) SPECIAL RULES RELATING TO ARBITRAGE.—

“(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

“(B) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any investment of available project proceeds during the expenditure period.

“(C) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any fund which is expected to be used to repay such issue if—
“(i) such fund is funded at a rate not more rapid than equal annual installments,

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

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

“(5) MATURITY LIMITATION.—

“(A) IN GENERAL.—An issue shall not be treated as meeting the requirements of this paragraph if the maturity of any bond which is part of such issue exceeds the maximum term determined by the Secretary under subparagraph (B).

“(B) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the
face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

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

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

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.

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

“(2) BOND.—The term ‘bond’ includes any obligation.

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

“(4) AVAILABLE PROJECT PROCEEDS.—The term ‘available project proceeds’ means—
“(A) the excess of—

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

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

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

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

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

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

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

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

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

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

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which
require more frequent or more detailed reporting.”.

(3) OTHER CONFORMING AMENDMENTS RELATED TO TAX CREDIT BONDS.—

(A) Sections 54(c)(2) and 1400N(l)(3)(B) of such Code are each amended by striking “sub-

part C” and inserting “subparts C and I”.

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

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

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

(E) The table of subparts for part IV of sub-

chapter A of chapter 1 of such Code is amended by striking the item relating to subpart H and inserting the following new items:
(d) **CLERICAL AMENDMENT.**—The table of parts for subchapter Y of chapter 1 of such Code is amended by adding at the end the following new item:

“PART III—MANUFACTURING REDEVELOPMENT BONDS”.

(e) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

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

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

SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTEREST ALLOCATION.

(a) **IN GENERAL.**—Paragraphs (5)(D) and (6) of section 864(f) of the Internal Revenue Code of 1986 are each
amended by striking “December 31, 2008” and inserting “December 31, 2011”.

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

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

OCTOBER 29, 2007

Reported from the Committee on Ways and Means with an amendment October 29, 2007

Charles B. Rangel, Chairman

Amdt. to H. R. 3920

October 29, 2007

Reported from the Committee on Education and the Workforce, the Committee on Labor and the Committee on Energy and Commerce.

Amdt. to H. R. 3920