



THE COMMITTEE ON WAYS AND MEANS

Trade Adjustment Assistance Modernization Act of 2021

Section-by-Section

Section 1. Short title; Table of Contents.

Section 2. Applications of Provisions Relating to Trade Adjustment Assistance. This section provides that the effective date of this legislation will be the date of enactment and repeals the snapback provision in previous legislation. This ensures that the reversion periods for the TAA programs that existed under previous law do not exist moving forward.

Title I: Trade Adjustment Assistance for Workers

Section 101. Filing Petitions. This section allows one or more trade-impacted workers from the same firm to petition for TAA benefits. Current TAA law requires three or more workers in the same firm to file a petition. This section also clarifies that workforce intermediaries may file petitions on behalf of workers.

Section 102. Group Eligibility Requirements. The current TAA program unnecessarily restricts eligibility for the program to just certain workers facing import competition. Even those workers facing import competition face an unnecessarily high hurdle to demonstrate eligibility.

This section eases requirements for workers affected by imports by removing the requirement that imports contributed “importantly” to their job loss, which can be difficult to demonstrate. Further, this section clarifies that eligible workers include staffed workers and teleworkers at a firm.

Finally, the legislation expands eligibility to workers who lose their job because a firm has decreased exports, thus ensuring that TAA is available to all workers who lose their job due to trade.

Section 103. Application of Determinations of Eligibility to Workers Employed by Successors-in-Interest. This section clarifies that trade-impacted workers at firms that undergo mergers, acquisitions, or name changes remain eligible for TAA benefits.

Section 104. Provision of Benefit Information to Workers. This section expands outreach regarding benefits available from the Department of Labor (DOL). It also requires DOL to make every effort to reach out to workers in their native languages.

Additionally, this section modernizes TAA outreach and provides states with new tools to reach TAA-certified workers. Specifically, states may utilize TAA funding to collect email addresses and telephone numbers of workers from employers, partner with union representatives, hire peer support workers within a certified group to perform outreach, and use advertising methods and public information campaigns.



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Section 105. Qualifying Requirements for Workers. This section removes the requirement that a worker be employed for one year prior to losing her job in order to receive income support under TAA.

Further, this section restores previous flexibility in the program for workers that are unable to enroll in training because the worker is recalled to her previous employment, the worker possesses marketable skills and can expect to be reemployed quickly, and the worker is within two years of retirement and expects to receive retirement benefits.

Section 106. Modification to Trade Readjustment Allowances. This section would enhance Trade Readjustment Allowances (TRA) by providing workers with up to 130 weeks of income support if they are enrolled in a qualified training program. Workers enrolled in prerequisite education or remedial education, such as English language courses, may receive an additional 26 weeks of TRA benefits. This section also allows TRA benefits to be paid to workers engaged in on-the-job training making under \$70,000 per year and links that threshold to inflation so that it does not remain stagnant.

Section 107. Automatic Extension of Trade Readjustment Allowances. This section automatically extends income support for 6 months to workers who complete training but are unable to find suitable employment because of poor economic conditions. Specifically, this provision provides that the period during which trade readjustment allowances are payable to an adversely affected worker can be automatically extended for 26 weeks if she has completed training and cannot find a job during a period of heightened unemployment.

Section 108. Employment and Case Management Services. This section requires DOL, through the states, to provide workers with information about registered apprenticeships, on-the-job training, and information related to direct job placement.

Section 109. Training. This section places a new emphasis on ensuring that training providers which DOL approves have a demonstrated ability to place workers into jobs upon the completion of training. It also removes language that makes it easier for training providers to satisfy the requirement that a worker has a reasonable expectation of obtaining employment upon completion of training.

Further, this section adds pre-apprenticeships to the category of authorized training programs for workers.

Section 110. Job Search, Relocation, and Child Care Allowances. This section updates the funding levels for the existing job search and relocation allowances provided to workers. This change increases the limit to \$2,000/worker from \$1,250 and ensures that 100% (instead of just 90%) of these costs can be covered under the limit.

Additionally, this section establishes a childcare allowance of up to \$2,000 for workers in TAA. Childcare accessibility and costs are often highlighted as a key barrier to workers being able to successfully take advantage of the training benefits under TAA.



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Finally, this section requires states to provide these allowances. States currently have discretion to do so. It also ties the limit of each allowance to inflation, so that they automatically rise and new legislation is not required every time an adjustment is warranted.

Section 111. Agreements with States. This section requires that each state work with training providers that have a proven track record in placing workers into good jobs after completing training. It also requires states to work with training providers that have a proven track record in serving underserved communities.

This section also requires states to adopt an aggressive outreach model to workers who are potentially eligible for TAA. It requires states to complete proactive searches for potential eligible workers and to then conduct outreach to such workers. This provision is based on an existing model developed in several states that have demonstrated a record of higher participation rates and successful outcomes in TAA. To ensure that states have the ability and resources to carry out this new model, the legislation provides funding flexibility to states so that they can hire additional workers and devote more resources to develop an effective TAA administration system.

This section requires states to perform outreach to workers from underserved communities and develop plans to address common barriers those diverse communities face in accessing services.

This section also requires DOL to collect additional data on TAA participants and outcomes, including demographic information, as well as to develop a user-friendly dashboard to provide such information publicly.

Lastly, this section rescinds a Trump Administration regulation which removed a decades-old requirement that TAA be administered by merit-based staff at the state level. This provision reinstates this requirement.

Section 112. Reemployment Trade Adjustment Assistance Program. This section provides increased access to Reemployment Trade Adjustment Assistance (RTAA), which is a wage insurance program available to workers over 50 who obtain a new job but at a lower wage. Current TAA law limits this program to workers making less than \$50,000 and limits the benefit to a maximum of \$10,000. This section makes the program available to workers making \$70,000 and increases the maximum benefit to \$20,000. To ensure that these figures do not become stagnant, this section also requires these figures to rise with inflation.

Section 113. Extension of Trade Adjustment Assistance to Public Agency Workers. This section ensures that public sector workers are also eligible for TAA. This provision would apply when public sector services have been outsourced by a state or the federal government to an offshore service provider (e.g., a call center).

Section 114. Definitions. This section extends eligibility to TAA for Workers to territories including Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.



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This section also defines an ‘underserved community’ as a group of people who have been systematically denied the full opportunity to participate in aspects of economic, social, and civic life. Underserved communities include Black, Latino, Indigenous and Native American persons, Asian American and Pacific Islanders, and other persons of color, or populations affected by persistent poverty or inequality.

Section 115. Subpoena Power. The current TAA statute provides DOL with explicit authority to subpoena firms to produce evidence necessary to certify a group of workers for TAA benefits. This section confers this authority to states and allows states to seek compliance with a subpoena under state law and by petitioning a federal court.

Section 116. Data Collection with Respect to Training. This section requires DOL to collect demographic information such as race, ethnicity, gender, income level, and age of TAA workers. It also requires DOL to collect detailed information regarding individual petitions. This data will help ensure better transparency and help inform policy outcomes in the future.

Section 117. Sense of Congress. This section highlights that the aim of TAA is to provide training for workers that assists them in obtaining employment opportunities that have high wage replacement rates, provide livable wages, and are sustainable. It also provides that states must prioritize providing effective assistance to underserved communities.

TITLE II. Trade Adjustment Assistance for Firms

Section 201. Petitions and Determinations. Similar to the TAA for Workers program, TAA for Firms also has unnecessarily restrictive eligibility requirements. This section removes the requirement that imports contributed “importantly” to lost sales or employment at a firm and expands eligibility to firms that have suffered because of a decrease in exports. Further, this section provides that a firm is eligible for the program if it has seen a decrease in employment or sales (either of which must be caused by trade), instead of requiring both. This change will ensure that firms can get into the program before they have to fire workers.

Further, this section also tightens the Department of Commerce’s (DOC) timeline for approving petitions. In FY 2019, firms had to wait 110 days on average between filing the petition and being certified, even though the statute requires certifications to be made within 40 days. To avoid non-compliance with the statute, DOC waits on average almost three months before accepting a petition. This lengthy certification process is particularly difficult for firms that are already struggling and need assistance as soon as possible to keep the business operating.

This section rectifies the problem by requiring that DOC accept a petition within 5 days of receipt and deems a petition approved if DOC has not approved or denied it within 55-days. This will ensure that all petitions are approved or denied within 2 months.

Section 202. Approval of Adjustment Proposals. This section requires firms to assess the potential employment outcomes of their adjustment proposal to ensure that a proposal does not lead to decreased employment at the firm.



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Section 203. Technical Assistance. This section clarifies that assistance provided to a firm may be used to provide skills training programs to employees of the firm.

Further, this section clarifies that a firm may receive up to \$300,000 in support under the program. This funding level will automatically rise with inflation to ensure it does not remain stagnant. Current regulations limit this amount to \$150,000.

Section 204. Annual Report on Trade Adjustment Assistance for Firms. This section requires DOC to collect information on wages and the demographic information related to a firm's ownership and employees.

Section 205. Definitions. This section provides the definition for the term underserved community.

Section 206. Plan for Outreach to Potentially Eligible Firms. This section requires DOC to develop a plan and submit it Congress regarding outreach to potentially eligible firms, including:

- Outreach to the U.S. International Trade Commission (ITC) and firms in the industries with increased imports identified in an annual ITC report;
- Outreach to firms in the service sector;
- Coordination with the Small Business Administration regarding firms that are small businesses;
- Outreach to firms that are minority or women-owned; and
- Outreach to firms that employ a majority or substantial percentage of workers from underserved communities.

TITLE III. Trade Adjustment Assistance for Communities

Section 301. Trade Adjustment Assistance for Communities. This section establishes the TAA for Communities program. This section will describe the program based on the sections of the program as established in the legislation.

Section 271. Definitions.

Section 272. Establishment of Trade Adjustment Assistance for Communities Program. This section provides DOC, acting through the Economic Development Administration, with 90 days to establish the TAA for Communities program.

Section 273. Eligibility; Notification. This section provides that communities impacted by trade are eligible for the program. It further defines "impacted by trade" as a community (1) in which a certification has been made under the TAA for Workers, Firms, or Farmers programs, and (2) a community that (a) has a per capita income of 80% or less of the national average, (b) is historically economically distressed, or (c) is significantly affected by the threat or the loss of jobs associated with a TAA certification. This section also requires DOC to proactively reach out to a potentially eligible community to notify it of benefits potentially available under the program.



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Section 274. Grants to Eligible Communities. This section requires DOC to provide grant funding to communities that have been certified and have successfully submitted a strategic plan (described in the next section). This section limits the maximum award to a community to \$25,000,000. It also requires DOC to prioritize historically distressed communities and ensure that grants are provided to geographically diverse communities. Finally, this section requires DOC to submit an annual report to Congress regarding such grants and their impact on the relevant community.

Section 275. Strategic Plans. This section requires communities to develop a strategic plan to adjust to the impact that trade has had on it. In developing this plan, the community is required to consult with local officials, labor organizations, and organizations representing underserved communities, among others.

A community's strategic plan is required to describe the capacity of the community to adjust to trade, evaluate economic opportunities, including for young workers, describe economic adjustment projects, assess the impact on underserved communities, and training programs available to workers, among other things. This section also requires DOC to provide technical assistance to communities in developing its strategic plan.

Section 276. Coordination of Federal Response and Other Additional Technical Assistance. This section requires DOC to coordinate the federal response for an eligible community, including identifying other funding opportunities available through other federal agencies and assisting the community in accessing such assistance.

Section 277. General Provisions. This section provides DOC with the authority to issue regulations to carry out the program and to consult with the Committee on Ways and Means and the Senate Finance Committee regarding such regulations. It also requires DOC to rely on existing regulations to the maximum extent possible to carry out this program and to use expertise from its existing work.

Finally, this section authorizes \$1,000,000,000/year in funding for five years to carry out the program.

Section 302. Community College and Career Training Grant Program. This section redesignates the Community College and Career Training Grant Program given the introduction of TAA for Communities (described above) and requires DOL to notify DOC when it receives a grant proposal from an eligible institution.

TITLE IV. Trade Adjustment Assistance for Farmers

Section 401. Definitions. This section provides the definition for the term underserved community.



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Section 402. Group Eligibility Requirements. Similar to the TAA for Workers and Firms programs, TAA for Farmers includes unnecessarily strict eligibility criteria in order for a farmer to be eligible to receive benefits under the program. Farmers, in particular, have described how difficult it was to demonstrate eligibility under this program.

In response to these concerns, this section removes the requirement that imports contribute “importantly” to decreased sales. This section requires only a decrease in sales and production, instead of requiring a 15% decrease, and expands eligibility to farmers who lost export sales.

Section 403. Annual Report. This section requires the U.S. Department of Agriculture (USDA) to collect additional information regarding the success of the program and demographic information of agricultural commodity producers, including producers from underserved communities.

Section 404. Benefit Information to Agricultural Commodity Producers. This section requires USDA to develop an outreach plan to producers from underserved communities that could benefit under the program.

Section 405. Qualifying Requirements and Benefits for Agricultural Commodity Producers. This section increases the benefits available to farmers under the program, responding to criticism that the program has not provided enough benefit support to justify the time and resources required to demonstrate eligibility for the program. Further, these funding levels have not been increased since the program’s inception more than a decade ago. Thus, this section increases maximum available funding to a farmer from \$12,000 to \$36,000. Funding levels will automatically rise with inflation to ensure they do not remain stagnant.

TITLE V. Other Matters

Section 501. Extension of Trade Adjustment Assistance Program. This section extends each of the TAA programs and updates the funding caps for each program, as follows:

- TAA for Workers: 7-year extension, training funding cap increased from \$450,000 to \$1,000,000,000.
- TAA for Firms: 7-year extension, funding cap extended at \$50,000,000/year.
- TAA for Community Colleges and Career Training: Establishes a 7-year program with \$1,300,000,000 in funding per year (\$9,100,000,000 in total)
- TAA for Farmers: 7-year extension, funding cap extended at \$90,000,000/year.

These funding levels reflect an ambitious agenda to revitalize the TAA programs and inject a significant new funding stream to community colleges across the country.

Section 502. Applicability of Trade Adjustment Assistance Provisions. This section streamlines the TAA for Workers program. Currently, DOL and the states are required to administer five different versions of the program depending on when a worker was certified as eligible for the program. This also means that workers under older versions of the program would be unable to benefit from the improvements made in this legislation.



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To satisfy these administrative and equity issues, this provision provides that all TAA workers will be moved into the current version of TAA (including the changes made in this legislation). This would remove the incredible administrative and paperwork burdens on DOL and the states, as well as ensure that all workers receive the modern benefits provided in this legislation.

Lastly, this section requires DOL and DOC to review petitions for eligibility to the TAA for Workers and Firms programs, respectively, that have been denied since January 1, 2021. This will ensure that any petitions denied because of the limited eligibility provisions under reversion have another opportunity to become eligible for the TAA programs. It also provides a window for recently denied petitions to be certified under the expanded eligibility criteria in this legislation.

Lastly, this section makes numerous conforming amendments to the underlying TAA legislation.

TITLE VI. Health Care Tax Credit

Section 601. Permanent Credit for Health Insurance Costs. This section makes the healthcare tax credit permanent, removing the uncertainty of annual extensions, and increases the amount of the qualified health insurance premium covered by the credit from 72.5% to 80%.