S.1209 RELATING TO TRADE ADJUSTMENT ASSISTANCE, WITH BAUCUS AMENDMENT IN THE NATURE OF A SUBSTITUTE

THURSDAY, DECEMBER 4, 2001

U.S. Senate,

Committee on Finance,

Washington, DC.

The meeting was convened, pursuant to notice, at 10:10 a.m., in room 215, Dirksen Senate Office Building, Hon. Max Baucus (chairman of the committee) presiding.

Present: Senators Rockefeller, Breaux, Conrad, Graham, Jeffords, Bingaman, Lincoln, Grassley, Hatch, Murkowski, Gramm, Snowe, Kyl, and Thomas.

Also present: John Angell, Staff Director; Michael Evans, Deputy Staff Director; Kolan Davis, Republican Staff Director and Chief Counsel; and Carl Martin, Chief Clerk.

Also present: Grant Aldonas, Under Secretary for International Trade, U.S. Department of Commerce; Chris Speak, Assistant Secretary for Policy, U.S. Department of Labor; Greg Mastel, Democratic Chief, International Trade Counsel/Chief Economist; and Dr. Liz Fowler, Democratic Chief, Health and Entitlements Counsel.

OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA, CHAIRMAN, COMMITTEE ON FINANCE

The Chairman. Please come to order.

I am pleased this committee was able, last week, to report out legislation expanding the Andean Trade Preferences Act. I believe it speaks well of this committee's ability to come together on trade issues.

I believe also that this committee, and ultimately the Senate, can, and will, come together on TAA legislation.

I want to start off by talking about the process by which we arrived at this legislation that we are considering today, but let me, first, express my sincere thanks to Senator Bingaman for his tireless efforts on this legislation.

He and his staff have worked on this bill for more than a year, and much of the content of the bill is based on experiences that Senator Bingaman has witnessed firsthand in his State of New Mexico.

As most people know, TAA has always been an issue that has garnered strong bipartisan support. This is not a program for Democrats. It is not a program for Republicans. It is a program for Americans, for American workers and for communities in every State.

I would think that an expanded TAA program would be among the administration's top priorities. Indeed, the President's home State of Texas is the State that benefits most from TAA.

Members of this administration, including Defense Secretary Donald Rumsfeld and USTR Bob Zoellick, were among the members of the bipartisan U.S. Trade Deficit Review Commission that, last year, endorsed a broad expansion of the TAA program.

Members of this commission, I might say, agreed on very little, but they did agree on a series of recommendations related to TAA, including the following. This is a copy of the report. It is the U.S. Trade Deficit Review Commission's report that I mentioned including Secretary Rumsfeld and Ambassador Zoellick, and I commend it to the members of the committee.

Again, here are the recommendations that that commission did make with respect to TAA: consolidating TAA and NAFTA TAA, providing coverage to secondarily affected workers; providing income support for a longer period if more time is needed for training, and providing adequate funds for the program's benefits and administration.

Our legislation accomplishes all of these objectives. In fact, when beginning the drafting process, we first

looked to this bipartisan report. We went to this report first and said, all right, let us take this as a beginning, not an ending, in drafting TAA, this bipartisan report.

We also looked for suggestions from all members of the Finance Committee. All members. In the spring several months ago, before the drafting even began, my staff met with their counterparts on the committee to get more advice, some more ideas for this bill.

Some members, however, were reluctant to weigh in, for whatever reason. But, still, we continued to reach out, as did Senator Bingaman. We then began to look for measures that had strong bipartisan support, additional members.

Senator Grassley and Senator Conrad, along with Senator Murkowski and others, all co-sponsored legislation regarding TAA for farmers and fishermen. We incorporated that legislation into the bill.

We also held two days of hearings on TAA, and I thank Senator Grassley, Senator Hatch, and Senator Snowe for their participation the first day of those hearings. No other members, for whatever reason--I know schedules are busy here--participated in those hearings.

After we introduced the legislation, Senator Snowe put forward a list of principles. We worked with her to

modify the mark to incorporate her ideas. Several staff meetings were held with the administration. When they put forth their page-and-a-half of proposals, we modified the mark again.

The majority of the administration's ideas are now reflected in this legislation. Again, the majority of the administration's ideas are now reflected in this legislation.

At the end of the day, I think a significant majority of Senators will support this bill. Senator Collins recently co-sponsored the bill.

Senator Cochran supported this bill early on and decided it was a good bill for Mississippi. That should not be surprising. In the last five years, over 25,000 workers from Mississippi qualified for TAA and NAFTA TAA benefits. Mississippi is not alone: nearly 55,000 workers in North Carolina qualified; 48,000 in Pennsylvania; 40,000 in New York, and the list goes on.

Last week, several members also expressed disappointment that the committee has not yet taken up fast track or trade promotion authority. The House is set to vote on that legislation December 6, so we will know in two days whether the House can pass the bill.

If they can, as I have said repeatedly, this committee will hold a mark-up based on the House

legislation. I will strive to hold a mark-up as quickly as practical after the House vote, given the demands of the Finance Committee's schedule and the Congressional recess date.

I also want to address the question of expanding TAA without extending fast track to the President. It was suggested last week that we should not expand TAA without "expanding trade." Well, the TAA program has not been expanded, itself, since 1993. At that time, it only expanded to offer additional benefits for trade-related measures to Mexico and Canada.

Since then, we have created the World Trade Organization, we have expanded trade preference programs for countries in the Caribbean and sub-Saharan Africa, and, since 1993, imports have more than doubled. We passed PNTR and the TAA program has not changed.

But Americans' attitudes about trade have changed. Several efforts to pass fast track have failed. Trade agreements have begun more difficult to pass. Americans are much more likely to support free trade if they think that those adversely affected by trade will be taken care of.

In a recent study, two-thirds of Americans agreed with the following statement: "I favor free trade and I believe that it is necessary for the government to have

programs to help workers who lose their jobs."

So if we want to encourage support for more trade, as we do, everyone on this committee does, we need to do a better job on TAA. I look forward to working with members of the committee on accomplishing both objectives.

Now I will turn to my good friend, Senator Grassley, for any statement he may have on this mark-up.

OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM IOWA

Senator Grassley. Thank you, Mr. Chairman.

Obviously, I will repeat some of the things that I said the other day.

The Chairman. It does not have to be obvious. You can change.

Senator Grassley. Well, these are things that I think we need to remind ourselves of, particularly the bipartisanship of this committee.

When this mark-up began last week, I stated that I support Trade Adjustment Assistance. I do not support it, though, in the partisan way that this legislation has been advanced.

Now, you took time during your statement to show how there had been cooperation among Republicans and Democrats to deal with some things that ought to be in Trade Adjustment Assistance.

So, my remarks in regard to the partisan way are related to the bill containing provisions from the Democratically-passed stimulus package that makes sweeping and permanent changes to our health care system. Just as my colleagues on the other side failed to work in a bipartisan fashion on economic stimulus, they have

followed the same course again on these health provisions for Trade Adjustment Assistance.

These things should be taken up as part of our consideration of health programs and not be mixed with, or at least on the stimulus package, Trade Adjustment Assistance.

I think we have a situation here, as I said a week ago, where we have got two very good bills. I think when we finally get a Trade Adjustment Assistance bill, unless, for instance, it were to have these health care provisions in it, you have got a bill that will pass the Senate almost unanimously.

I think that we would have a situation, if we got trade promotion authority out of here, and one that I think would be very much a bipartisan bill, would pass the Senate overwhelmingly, not unanimously or near-unanimously like Trade Adjustment Assistance might.

But when you are going to bring these bills to the floor of the Senate where there is not an arrangement for both to go, whether they go together or go separately, we have a situation where there are two very popular public policy decisions that could be on the Senate floor that could pass by big margins. But one will not pass without the other. That is not a whole lot different than when Trade Adjustment Assistance first came in to public

policy 40 years ago. They kind of came in together.

So I want to say, again, that we must not lose sight of the importance then of renewing the President's trade promotion authority this year. I know that some members of this committee believe that we should act only after the House has acted on this very important piece of legislation.

But it appears to me that this is a criteria that is selectively applied. All you have to do is look at what we are doing this morning, marking up Trade Adjustment Assistance legislation before the House has acted. We also marked up fast track legislation in 1997 before the House acted, and it was strongly bipartisan, that the committee approved, with only one dissenting vote.

So making a committee vote on renewing the President's trade negotiating authority contingent with House action is not in accord with recent action of this committee, including what we are doing here today.

In addition, Mr. Chairman, I believe, and many members of this committee believe, that Trade Adjustment Assistance ought to be considered in tandem with legislation to renew the President's trade negotiating authority.

This is not a new idea. When President Kennedy first designed the Trade Adjustment Assistance program in the

1960s, he specifically stated that adjustment assistance was integrally linked to the Kennedy Administration's overall efforts to reduce barriers to foreign trade.

That linkage was explicitly stated in President Kennedy's message to Congress when he announced that the first Trade Adjustment Assistance program was to be part of the Trade Expansion Act of 1962.

Here is what he said in 1962: "I am also recommending as an essential part of the new trade program that companies, farmers, workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition."

Ever since President Kennedy created the linkage between trade expansion and Trade Adjustment Assistance, that linkage has been maintained, both by Democrat and Republican administrations.

The linkage between Trade Adjustment Assistance makes sense. It made sense when President Kennedy designed the Trade Adjustment Assistance program in 1962, so consequently it makes sense today. It ought to be preserved. I will oppose any efforts to sever the historic linkage between trade expansion and Trade Adjustment Assistance.

Finally, Mr. Chairman, I again regret that we cannot get to a vote by a date certain on the President's most

important trade policy initiative. As I said last week, we should not call it trade promotion authority for the President because, quite frankly, we are talking about trade promotion authority for America.

That is because America will win if we can realize the promise of opening new markets for our farmers, ranchers, and workers. But America will also lose, our farmers, ranchers, and workers will lose, if our effort to renew the President's trade negotiating authority gets bogged down in partisan bickering.

I urge my colleagues, Democrats and Republicans alike, to work with me on trade promotion authority for America. We can do this. We must do it. We must do it in a bipartisan way, in the great and enduring tradition of this committee.

I also might add that today is the day in which we are going to start applying tariffs and other trade provisions to the Andean Pact nations, because the Andean Pact lapses today. I think that that is an example of our committee being a little late from time to time on very important pieces of trade policy that we should really push.

I think we ought to take into consideration that nations that this committee expressed last week need our help,

almost unanimously--in fact, it was probably a unanimous vote--that we move ahead with the Andean Pact.

It is too bad that we have not moved quickly enough so that these nations continue to be helped, as they have been helped under the Andean Pact, and as we would expand the Andean Pact legislation to do even greater good for those nations to help themselves.

Quite frankly, it is only trade and it is not going to be aid that moves the economies of these nations along. It is really a missed opportunity now that, after all these years of having the preferential treatment of imports from the Andean Pact nations because we felt that it was very necessary to help them to help themselves, which is what trade does, that now there is going to be a greater cost, consequently less trade. Obviously, the economies of these countries are going to be hurt.

These are the very same countries that we feel we ought to be helping, because that's where we need to strengthen their economy so that they are not so dependent upon the drugs that they produce that are coming to our country, and a lot of other reasons as well, but that is a very important one for our country.

So, I hope we have a very aggressive trade agenda, we move forward. The most important one is trade promotion authority for the President, regardless of what happens

in the House of Representatives, because I do not think that the Senate is irrelevant on this issue of trade promotion authority.

I yield the floor.

The Chairman. Thank you very much, Senator. I agree with you on the Andean Trade Preferences Act which has passed this committee, and hopefully can be brought up and passed on the floor this year.

The bill is now open for amendment.

Senator Gramm. We do not have a quorum.

The Chairman. Yes. We have seven members to conduct business.

Senator Gramm. But we cannot vote.

The Chairman. Yes, we can.

Senator Gramm. You can vote on amendments?

The Chairman. On amendments. On final passage, it is 11.

The bill is open for amendments.

Senator Murkowski. Mr. Chairman?

The Chairman. The Senator from Alaska.

Senator Grassley. Have we gone through the walk-through that we do in the bill?

The Chairman. I think Senators know what is in the bill. They have known about it for a long time.

The bill is now open for amendments. Senator

Murkowski?

Senator Murkowski. Mr. Chairman, I have a country of origin amendment, Amendment Number 1 to the Trade Adjustment Assistance. It would require that all fish and shellfish, and other perishables--farm products, agricultural products, and so forth--that are sold at retail would have to bear a country of origin label.

This would be very beneficial to the higher-quality U.S. products by identifying where they came from so those purchasing it retail would have some idea of a preference. That would be very helpful to the farmers and fishermen, as well. It would really not add any significant cost to these imports. The matter of identification on the items is standard in the sense of some identification. This would simply add a country of origin. I urge its adoption, Mr. Chairman.

The Chairman. Any further debate?

Senator Gramm. Mr. Chairman?

The Chairman. Senator Gramm?

Senator Gramm. Mr. Chairman, I am opposed to this amendment. I am opposed to it, really, for two reasons. One has to do with practical problems. That is, for example, in a grocery store where you have got packaged frozen seafood, and let us say you have shrimp from Texas, and let us say you have tiger shrimp from Taiwan.

They make good shrimp in Taiwan.

The Chairman. How about tuna? How is the tuna? [Laughter].

Senator Gramm. There is the practical problem where you have got mixed products and where the mix of those products is varied daily by the relative cost of the product, which is very common in making packaged foods. You are basically have got a computer program, you are looking at the price of the inputs, and you literally vary them each day based on the relative price. I think you create a practical problem there.

Second, where you are displaying fish, for example, on ice, where do you do the country of origin label? Do you stick it on the fish? Do you have a sign post there that says, "This is from Taiwan?"

It seems to me that one of the things that we were trying to do when we had a consensus that trade was a good thing, was we have standards for judging quality. Various public and private systems exist whereby seafood is graded. When you go, for example, to the waterfront down here on Maine Avenue to buy seafood, it is graded by quality, by the size of the shrimp. You have got various forms of quality grading.

The question is, when the quality grading is the same, what is the purpose of country of origin labeling?

The purpose of country of origin labeling is basically to encourage people to discriminate based on where the product is from.

Now, if we were some obscure little trading nation, I think you might win at this game. But we are the greatest trading Nation in the history of the world. We have more exports by a huge margin than any other country in the world, or in the history of the world. Why we want to continue to play these little protectionist games, I do not know.

So if the Senator had proposed that we have a system to rate based on quality, whether that quality was freshness or whether it was the taste, calorie, or nutrition differences, I think that would make some sense. But everybody here knows what the objective of this amendment is.

It seems to me that what we are doing--and this is a subtle change that has occurred over the last 10 years--is that, while we are the greatest beneficiary of international trade in the world, we continually play these little protectionist games. Unfortunately, when you are the largest trader in the world, you do this, other people do it, and the net result is lower living standards for everybody.

So I think this has practical problems in terms of

packaged products with many components. I think it has practical problems in terms of displaying fresh seafood on a bed of ice. How do you determine or how do you market as being from a specific country?

Finally, if you are rating on quality, what difference does it make? Do we want American products sold abroad to be singled out where the objective of the country of origin is to get people to discriminate against our products?

So my view is, rate on quality. But what difference does it make? It seems to me, that is the practical question.

Senator Murkowski. Mr. Chairman?

The Chairman. Senator Murkowski?

Senator Murkowski. I think my friend from Texas makes an interesting, but not a very practical, argument. You lay products side by side. What you are forgetting, is there is a price differential. The consumer is going to be motivated, to some extent, by that price. Ordinarily, in many cases, you talk about tiger prawns from Taiwan, they will be less on the market priced alongside prawns from the Gulf of Mexico.

Senator Gramm. That is what trade is about.

Senator Murkowski. That is just the practical reality. But since we have a certain consistency on

product of origin, a lot of goods, particularly canned goods, are listed, "Made in the USA," or have some identification.

The practical reality is, if you have a fresh fish, you put a stamp on them. They put a stamp on the tail that sticks and says, "Caught in the USA," or "Processed in the USA." If you look at some of your tuna fish, about three-quarters of tuna fish, as a matter of fact, is canned in Thailand. It bears a Thailand identification.

Now, this is a product of origin that I think gives the consumer a reasonable choice. It does not cost anything significant because the identification occurs either in the can label or some other pricing mechanism that is on the cans. We are not talking about anything meaningful. We are simply giving American producers an opportunity to have their product identified as having been produced, manufactured, or canned, or whatever in the United States.

I do not see this as protectionist at all. If you lay down a product--let us be practical, in my particular State--of wild salmon and you lay it across farm salmon, there is a difference. There is a difference in price. There is a difference in quality. All we are asking, is that it be identified as coming from the United States.

Senator Kyl. Mr. Chairman, would the Senator from Alaska yield for a question?

Senator Murkowski. Sure. I would be happy to.

Senator Kyl. I am sorry to interrupt you, but I just want to make sure I understand. You said this gives an American producer the opportunity to label his product that the consumer will see as made or processed in the United States.

Senator Murkowski. That is correct.

Senator Kyl. My question is, does that opportunity not exist without this amendment? Does the amendment not require that, also, a product from another country be required to be labeled as from that country?

Senator Murkowski. It does not require the other countries to label, but they would undoubtedly label, which is fine. I do not think there is any negative aspect associated with a consumer making a choice whether he wants to buy a foreign product or an American product. But the difference that I think the Senator from Texas overlooked, is there is a price differential because they have cheaper labor costs. From there on, it is anybody's guess.

Senator Kyl. All right. But could I just clarify? So what you are saying is, the amendment does not require the labeling of any particular source, but authorizes

that labeling. Is that correct?

Senator Murkowski. I am sorry, it does require the foreign companies to label.

Senator Kyl. All right.

Senator Murkowski. And most of them do. Can any of the professional staff advise us of what the requirements are, in general? Because you see many of the seafoods, crab, shrimp, and so forth, with an identification of the country of origin.

Mr. Aldonas. Senator, when you import a product under existing Customs law and it is prepackaged, generally either the larger container of the canned goods, or the canned goods themselves, are going to have to reflect the country of origin. It is only when a product is so small that it cannot be marked in that fashion that you have some escape clause.

Senator Murkowski. That is U.S. law.

Mr. Aldonas. That is U.S. Customs law as opposed to Food and Drug regulations. But I will say, with respect to the substance of this, in our trade policy, out of concern for our agricultural producers, we have tried to discourage the use of labeling or the use of criteria in identifying products that were anything other than quantitative or qualitative criteria, in part because of the concern that they might be manipulated.

I recognize you are trying to strike a balance, Senator, between informing the consumer on the one hand, and then the risk that if these same sorts of rules were applied elsewhere our exporters might suffer because they might be manipulated to disadvantage or discriminate against U.S. exports.

Senator Murkowski. I think the amendment speaks for itself relative to giving the consumer an opportunity to know where it came from and make a choice.

The Chairman. Is there any further discussion? Senator Thomas?

Senator Thomas. Senator, we just went through his. I am surprised at what you are saying, that you think that a country of origin would discriminate against our own producers. On the contrary. What we are trying to do, is give American consumers a choice so they know, if they want to buy American. There is nothing wrong with that. That is not anti-trade.

I think a lot of people would like to buy American products. If they do not have some way of knowing, they do not do it. I do not know about the fish part, but I know in farm products, particularly beef, there is a lot of real support for that idea, and I am one of them, as a matter of fact.

So I just think that it makes sense. You look on

your shirt, you find out where it came from and you have a choice whether you buy that or whether you buy somebody else's. I think there is a lot to be said for an opportunity to let consumers have an opportunity to see where that product came from.

Senator Murkowski. Mr. Chairman, I am referring to the existing law. Section 304 of the Tariff Act of 1930 requires that "the country of origin of every imported item must be conspicuously labeled." So, that is any goods coming into the United States.

Senator Gramm. Mr. Chairman?

The Chairman. Senator Gramm?

Senator Gramm. Mr. Chairman, there is no sense belaboring it. The point is, we have a law. The law requires that when a product is produced on a standardized basis, like a canned product, that it is labeled.

The practical importance of this amendment is that it is going to mean that every fresh fish stand in every grocery store in America, where packaged products that are packed in the United States, where we are the processor of the product, where the inputs change daily, that they are going to have to change the packaging based on the mix of products they use. I think there is a very real practical problem in doing it this way. By law, we

are already doing it with products that are produced and packaged abroad.

The second problem is, however, we are the principal Nation in the world that suffers from cultural biases that bias against buying American relative to buying Japanese. It seems to me that, again, this is all this idea that somehow it is patriotic to buy an American product relative to a product of a country that is buying products from us.

Now, I understand the politics of it. But the economics of it is disastrous. All over the world, especially in big markets like Japan, our products are labeled and discriminated against. Why we want to encourage this in these areas that, in a macro sense, are relatively unimportant to our economy relative to the thousands of jobs that we are creating exporting, I do not understand. I do not think it is good policy.

Senator Murkowski. If I can respond. The example you have given in Japan--

Senator Gramm. If people do not want to buy Texas shrimp--

Senator Murkowski. Well, how about Texas grapefruit?

Senator Gramm. Texas grapefruit. If they do not want to buy our products, they do not have to buy them.

There is nothing unpatriotic about not eating Texas products.

Senator Murkowski. Do you suppose they would buy them if they were Alaska grapefruits?

Senator Gramm. They should buy them if they are the best and if they are the cheapest. I mean, that is what competition is about. This idea of injecting all of these political things into it, we will lose, eventually, by doing that in the world market.

The Chairman. Well, I think this has been a good debate.

Senator Murkowski. Let us vote.

The Chairman. The committee is ready to vote.

All those in favor of the amendment, say aye.

[A chorus of ayes]

The Chairman. Those opposed, no.

[A chorus of nays]

The Chairman. The Chair is in doubt. The Clerk will call the roll.

The Clerk. Mr. Rockefeller?

Senator Rockefeller. Aye.

The Clerk. Mr. Daschle?

The Chairman. Aye, by proxy.

The Clerk. Mr. Breaux?

Senator Breaux. Aye.

The Clerk. Mr. Conrad?

Senator Conrad. Aye.

The Clerk. Mr. Graham?

The Chairman. Aye, by proxy.

The Clerk. Mr. Jeffords?

The Chairman. Aye, by proxy.

The Clerk. Mr. Bingaman?

Senator Bingaman. Aye.

The Clerk. Mr. Kerry?

The Chairman. Aye, by proxy.

The Clerk. Mr. Torricelli?

[No response]

The Clerk. Mrs. Lincoln?

Senator Lincoln. No.

The Clerk. Mr. Grassley?

Senator Grassley. Aye.

The Clerk. Mr. Hatch?

Senator Hatch. Aye.

The Clerk. Mr. Murkowski?

Senator Murkowski. Aye.

The Clerk. Mr. Nickles?

Senator Grassley. No, by proxy.

The Clerk. Mr. Gramm?

Senator Gramm. No.

The Clerk. Mr. Lott?

[No response]

The Clerk. Mr. Thompson?

Senator Grassley. No, by proxy.

The Clerk. Ms. Snowe?

Senator Snowe. Aye.

The Clerk. Mr. Kyl?

Senator Kyl. No.

The Clerk. Mr. Thomas?

Senator Thomas. Aye.

The Clerk. Mr. Chairman?

The Chairman. Aye.

The Clerk. Mr. Chairman, the tally is 14 ayes, 5 nays.

The Chairman. The ayes have it and the amendment is agreed to.

Senator Grassley. Mr. Chairman?

The Chairman. Senator Grassley.

Senator Grassley. I do not have an amendment. Let me bring up something either to you or to the staff. It comes from a copy of a letter that I have to you from Senator Kennedy asking for some changes. Then I have a letter from the AFL-CIO dated November 29 saying the changes agreed to between Senator Kennedy and Baucus regarding the delivery of services to trade-impacted workers.

I would like to just have some explanation of what those changes are that have been made between you and Senator Kennedy that the AFL-CIO, in their letter, makes reference to that are included.

The Chairman. I might say, Senator, that Senator Kennedy has written a letter to me suggesting that we ensure that this legislation not upset the balance between the Workforce Investment Act and TAA, and I respect Chairman Kennedy's potential jurisdiction over that issue, and of course appreciate his thoughts and expertise.

I have instructed the staff, as they complete the drafting of this bill, to review this proposal and address it in a technical amendment. That is, if there is a technical reason for the change, we will make it.

Senator Grassley. All right.

The Chairman. It is a jurisdictional issue.

Senator Grassley. All right. I guess I am a little surprised then that the AFL-CIO was concerned about technical amendments or jurisdictional issues. But if that is all there is to it, then that answers my concern. I hope you understand why I asked that.

The Chairman. I do. Yes, I do.

Senator Hatch?

Senator Hatch. Mr. Chairman, is it appropriate for

me to offer my amendment?

The Chairman. Absolutely.

Senator Hatch. All right. I will offer on amendment that will add trade promotion authority language to the Chairman's mark. In addition, my amendment would substitute the Chairman's mark's TAA language with the administration's Trade Adjustment Assistance proposal.

Traditionally, the Finance Committee has played a leadership role in forging major bipartisan consensus legislation in the areas of importance to the American public. Mr. Chairman, you and Senator Grassley both rose to that occasion in the tax bill earlier this year. Time and time again, this committee stepped up to the plate in difficult areas.

For example, we took the lead in 1997 in the Balanced Budget bill and even found a way to weave the Children's Health Insurance program into that critical legislation.

I take exception to the view that the prudent course is for this committee to wait and see what the House does on TPA. With all due respect, I simply do not agree with what the Chairman said last week, that it would be a waste of time of this committee and the whole Senate if we were to take up fast track legislation prior to the House action.

Frankly, I am not sure that there is any better use of time of this committee and the Senate than in trying to reach a compromise on trade legislation that can help jump-start our stagnating economy.

America is fighting a war against terrorism, and we are fighting this war in the midst of a deepening economic recession. As the unemployment statistics climb, it would seem wise to aggressively pursue trade policies that help to create new jobs for Americans.

We know that over the last decade, exports have accounted for between one-quarter and one-third of U.S. economic growth. We know that these export-related jobs pay about 13 to 18 percent higher than the average U.S. wage.

Mr. Chairman, I do not know about the farmers in Montana, but in the Utah Agricultural Committee they have told me that, in no uncertain terms, that community wants to see TPA pass, because one in three farm acres go for exports. They want to ship even more of their products overseas.

In my view, it was unfortunate that we let Ambassador Zoellick go to Doha last month without the mandate that TPA would have given the U.S. delegation. Economists estimate that the next WTO trade round could bring an additional $177 billion in benefits to the United States.

So, it is in our national interests for U.S. negotiators to be leaders in bilateral and multilateral trade initiatives.

Now, given these facts and circumstances, many of us just do not understand how timely consideration of TPA legislation continues to elude the committee's attention.

My amendment is simple. It has two features. First, my amendment would have the committee adopt the same TPA language that the committee reported to the Senate floor back in 1997. Second, I would amend the amendment I filed last week to replace the Chairman's mark on TAA with the administration's Trade Adjustment Assistance proposal.

Now, with respect to trade promotion authority, I think that my colleagues who served on the committee will recall the provisions of old S.1269 of the 105th Congress. There was broad bipartisan support for this measure. It was adopted by the Finance Committee on a voice vote.

Now, this amendment consists of carefully constructed language. Twice, it has survived cloture votes on the Senate floor, by a 69 to 31 vote on November 4, 1997, and by a 68 to 31 vote a day later.

Why do we not simply adopt this non-controversial support of 1997 language again today? For example, we

have heard all year about the importance of labor and environment provisions.

Here is what the 1997 bill and my amendment says on that score. My amendment says, "It is the policy of the United States to reinforce the trade agreements process by promoting respect for "workers" rights by seeking to establish in the International Labor Organization a mechanism for the systematic examination of, and reporting on, the extent to which ILO members promote and enforce the freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced labor, a prohibition on exploitative child labor, and a prohibition on discrimination in employment." What is wrong with that language?

With respect to the environment, my amendment calls for "expanding the production of goods and trade and goods and services to ensure the optimal use of the world's resources, while seeking to protect and preserve the environment and to enhance the international means for doing so." So, this amendment addresses both labor and the environment, and it is no wonder why it was so broadly supported back in 1997.

Now, I have been around here long enough not to be totally shocked if my amendment is not adopted today. But I do want to leave my colleagues across the aisle

with the message that I am prepared to listen to your concerns and work with you in good faith across the aisle to fashion compromise bipartisan TPA legislation that will get the job done.

I think that the bipartisan legislation put forward by Senators Gramm and Murkowski might also serve as a good vehicle to get us off the dime. Instead of sitting around waiting for the House to act, why do we not send the House and the American public a strong message that the Senate intends to pass both trade promotion authority and Trade Adjustment Assistance as soon as possible?

The political reality may be that both of these measures may have to pass, or both may fail. We can accept failure for either of these measures. While I do not believe that it should be necessary to tie these two pieces together in one bill, there are certain advantages of doing so. The suspension of production by Geneva Steel in Utah last month, the largest steel mill west of the Mississippi, has underscored to me the importance of Trade Adjustment Assistance, among other things.

For over 1,400 steelworkers and their families, the future is not clear. Unfortunately, they can benefit from some help. I want to commend Senator Rockefeller for his efforts on behalf of the steel industry at the ITC.

With respect to Trade Adjustment Assistance, I am offering the administration's proposal. We have with us at the table Mr. Chris Spear, Assistant Secretary for Policy at the Department of Labor, to discuss the details of the proposal. But I want to make a few point about this part of my amendment.

The administration's TAA proposal is a focused, balanced, and revenue-neutral approach. It expands eligibility for shifts in production benefits to workers displaced by shifts in production to countries in which the U.S. enters into a new trade agreement, thereby preserving the nexus between trade and assistance.

Recognizing that it makes no sense to maintain two similar, yet separate, TAA programs, the administration's proposal consolidates administration of the TAA program and the NAFTA TAA program. It modifies current requirements for training waivers, specifying five conditions under which training requirements may be waived.

Finally, perhaps the most innovative feature of the administration's proposal is the creation of a trade adjustment account option pilot program to offer the option of a lump sum payment in lieu of traditional TAA benefits.

The bottom line for American workers and their

families has to be for Congress to successfully open up new markets for U.S. goods for the new trade agreements that TPA legislation will help spawn, and to help displaced workers through TAA.

The American people want us to work together to help solve our Nation's problems. That is what we did with the counter-terrorism legislation. That is what we will do with the bioterrorism legislation that Senators Frist, Kennedy, Gregg, and many of the others of us are developing. I hope that this committee can meet the challenge we face in fashioning both TAA and TPA legislation, and that is what this amendment attempts.

So, I want to thank you, Mr. Chairman, for making this rather lengthy statement, but I sure hope we can pass this amendment.

The Chairman. Thank you, Senator. Any comments?

Senator Grassley. Mr. Chairman, I strongly support this amendment to renew the President's trade promotion authority. Senator Moynihan said, when this bill was approved three or four years ago, that it was, in his words, "an extraordinary agreement."

Many of my colleagues who were on the committee four years ago will recall that the 1997 bill was passed by the committee before the House acted, with broad bipartisan support. There was just one dissenting vote,

as I recall.

It enjoyed equally strong bipartisan support on the floor. The motion to invoke cloture on the motion to proceed was approved by a vote of 69 to 31. This model of bipartisan trade legislation should serve as our model today.

Because it was passed by such a wide and convincing bipartisan margin just four years ago is not enough to dismiss this bill by saying that times have changed. Trade negotiating authority for the President was as controversial then as it is now. The choices in front of us in 1997 were as tough and as challenging then as they are now. The importance of the United States' leadership in trade policy was as important in 1997 as it is now.

Let us again reaffirm what Senator Moynihan said in 1997. This is an extraordinary agreement and it is worthy of continuation of this committee's historic heritage of bipartisanship in U.S. trade policy. I urge my colleagues to again vote in favor of this legislation by adopting this amendment.

In regard to the amendment that Senator Hatch has of connecting Trade Adjustment Assistance to it, as I stated in my opening comments, this is also in regard to a tradition that was started with trade promotion authority during the Kennedy Administration.

So I would like to say a word on the administration's TAA proposal because I think the administration has been unfairly criticized in the last few days in the press about its proposal and I would set the record straight.

A tremendous amount of effort has gone into developing the administration's proposal. The administration put together a working group consisting of four cabinet-ranked officials, Secretaries Chao, Evans, and O'Neill, as well as Ambassador Zoellick. They developed this proposal.

Countless hours were spent drafting and refining a proposal that makes some very positive changes in our Trade Adjustment Assistance laws. They also did this in a very responsible way, from a budget point of view, that is. Rather than throw money at the program, they came up with a revenue-neutral approach that represents a serious and very reasonable compromise.

So, I commend the administration this morning for their outstanding work that has gone into their Trade Adjustment Assistance proposal. That is part of Senator Hatch's amendment. It is an excellent proposal and I think it deserves the consideration of this committee and the support of this committee.

The Chairman. Any further discussion?

Senator Breaux. Mr. Chairman?

The Chairman. Senator Breaux?

Senator Breaux. Thank you very much, Mr. Chairman.

Once again, I think we have proved that we all can play great defense, but the problem is, how do you get an offense together? You cannot win unless you can score.

I think that we are in a situation now where our Republican colleagues can prevent us from passing the Trade Adjustment Assistance Act, and we can prevent them from passing fast track.

But I really question whether that is what we should be doing. We should be passing things and getting things done instead of just playing defense and blocking each other.

The House, I take it, is going to take up fast track on Thursday and there is a real question of whether they are going to pass it or not. It is very controversial over here. The Chairman has made a decision that, let us wait to see what our colleagues are going to do over in the other body.

If they pass the bill over there--which is questionable, but I think they will probably put it together and get it done--I think the Chairman has indicated that he is willing to move forward on fast track over here and do both together.

Now, here it is, 11:00. We know that we are, I

think, not going to get anything done all day long in our committee. That is unfortunate. It would seem that we could get some kind of an agreement to see what the House is going to do, take both of them up, and pass both of them. I mean, that is what I would like to see done.

I am for fast track authority for this President, the last President, and the next President. I think they ought to have it. I think it is absolutely needed. I think the Trade Adjustment Assistance bill is also very important. We have got a situation where people need help, and this is a proper, appropriate federal response.

So, it is unfortunate that the defense is going to win. Defense is going to win this game today. That is pretty clear. But I just suggest that there ought to be a way to bring these concepts together and get both of them done. I think that after Thursday when the House does it, is the appropriate and proper time to do it. I am for fast track. But I think I am certainly going to follow the leadership of the Chair and say, let us wait and see what the House does. That is just a practical way to handle it.

Thank you.

The Chairman. I might say also to my good friend from Utah that it is my intention to bring up fast track before the committee if, and when, the House passes the

bill. Now, the vote is scheduled for Thursday over in the House. I, frankly, question the advisability of pressing for a fast track vote here at this time in this amendment. This bill is going to lose. That might have some adverse effect on the House vote, I do not know. But I would just urge, therefore, the Senators to withdraw the amendment because our goal here is to pass both fast track and Trade Adjustment Assistance.

Now, the Chair will schedule a fast track mark-up next week. Not the end of next week. It is in good faith, next week, so that we could consider this bill. I think it is unlikely that fast track will reach the floor of the Senate this session. Highly unlikely. But, as I have said time and time again, if the House dose pass fast track, I will move it.

Senator Breaux. Would the Chairman yield for a question?

The Chairman. Yes, certainly.

Senator Breaux. I think the Chairman makes a good point. I would say to our Republican colleagues, to Senator Hatch in particular, we know what is going to happen with this vote. I think, if we have a fast track vote in this committee today, with the very fragile coalition we have in the House, this could be a signal to the House members that the Finance Committee killed it.

I think that would be terrible for those who wanted to get it passed. We all know what is happening. I think it is a major point that it should be done.

But the House is on a string about whether they have enough votes to pass this. Those who are opposed to it over there, and some of them are Democrats, will use this vote in this committee to help get the bill killed in the House, and therefore prevent it ever coming up in the Senate. You have made your point. Do not push it to a vote because it sends a terrible signal. I think the Chairman is right on target on that point.

Senator Kyl. Mr. Chairman?

The Chairman. Senator Kyl?

Senator Kyl. If I could, just in response to that. I do not understand something here. I guess I have not been on the committee long enough. But if we are all for fast track, why is the vote going to lose?

The Chairman. Because this is a vote for another fast track bill. It is not even on the fast track that is before the House. It is totally different.

Senator Kyl. If one says it is totally different, then nobody in the House should take anything from a vote on this particular provision.

The Chairman. Well, but we all know that sometimes the way results are written up by the press and around,

and different people interpret things different ways, I just think it is inadvisable for us to do this.

Senator Kyl. I cannot believe the press would not write this----

The Chairman. I cannot either, but sometimes it happens.

I might say, too, the House has twice defeated fast track and it was withdrawn a third time. So, that is a very legitimate question of whether the House is going to pass fast track.

Senator Hatch. But would it not be comfortable if we did?

The Chairman. If I might continue.

Senator Hatch. I am sorry. I apologize.

The Chairman. I do not think we should waste our time here. That is, if the House does not vote fast track this week, then I think it is inadvisable for us to act this week, and with so few days remaining.

Senator Grassley. Did you say in your previous statement, the one before now, that you would have a mark-up next week on fast track?

The Chairman. If the House passes fast track. Yes. If the House passes fast track, I will have a mark-up next week on fast track.

Senator Bingaman. Mr. Chairman?

The Chairman. Senator Bingaman?

Senator Bingaman. I wanted to also just say a word about the other aspect of Senator Hatch's amendment. As I understand it, is to adopt the Trade Adjustment Assistance proposal the administration has made.

Senator Hatch. Right.

Senator Bingaman. I think that would be a major mistake and a major disappointment for a lot of workers around the country. The truth is, it is revenue-neutral. That means that we are essentially saying that we will be spending no more on Trade Adjustment Assistance in the future than we have spent in the past.

Benefits will not be improved in any of the respects that we are intending to in the bill that we are currently trying to proceed with the mark-up on. There will be no assistance to communities.

There will be no assistance to secondary workers. There will be no extension of benefits from 52 to 78 weeks for those who are trying to get training to go into other lines of work. I think that would be a major disappointment for a lot of people. So, I hope very much that, on that ground alone, we would turn down the amendment that the Senator from Utah has offered.

Senator Grassley. I do not know exactly what the author of the amendment will do. But I would hope that,

with the statement by the Chairman that he will mark up next week if the House passes a bill, conversely, that this will give some encouragement to the House of Representatives to move forward and pass it because we have a commitment then that this is not going to be bottled up in this committee. That does not mean what is going to happen on the floor of the Senate, but at least it will not be bottled up here by the Chairman. That might encourage the House to move forward with it.

I yield.

Senator Hatch. If I could just ask, before I make this momentous decision. I have listened to my colleagues.

The Chairman. Careful.

Senator Hatch. I am very considerate of my colleagues most of the time, I think. But could I ask Mr. Spear to tell me why Senator Bingaman is not right? I mean, I know why, but I would like to hear it from you.

Mr. Spear. Well, Senator, there are some significant differences.

Senator Hatch. You can be a little more diplomatic. You do not have to refer to Senator Bingaman.

[Laughter].

Mr. Spear. There are some significant differences in the two proposals and I would be remiss if I did not

say that the administration is grateful to have had the opportunity to work collaboratively with staff on both sides of the aisle for several months now.

I think since May, when we first started discussing ways to improve the program, we each had different solutions to that. I think both proposals tried to get at the same goal, just in different ways.

I think, in terms of secondary workers, COBRA care, extended income support, these are all significant things that are items that stand out in the Chairman's mark that are not present in the administration's proposal.

The administration worked very hard, based on three GAO reports and a recent IG report in the Department of Labor to improve its program. I do not recall any income recommendations made in those reports that would justify bolstering more money in the program to enhance the performance.

I think what we tried to do is to increase performance, to get results, stress training, which is mandatory under the program, and make certain that people get placed as quickly as possible. I think that is the goal of the program. I think the administration's mark gets to that point.

Senator Snowe. Mr. Chairman?

The Chairman. Senator Snowe?

Senator Snowe. Thank you, Mr. Chairman.

I hope that we could sever these issues because I do think it is extremely important to move ahead on the reauthorization of the Trade Adjustment Assistance.

But, more than reauthorization, it is an expansion on the program itself based on the need and tailored to some of the issues that have been developed as a result of so many displaced workers. The demands have been extraordinary on the program, so obviously we need to do far more in providing needs to displaced workers.

It does include health care provisions, although I do not agree with the provisions that are in this legislation, particularly. I did support the original provisions that were included in Senator Bingaman's bill. Hopefully we will get back to that, because I think 75 percent, based on this legislation, is unprecedented.

But, in any event, I do think we need to go forward with this legislation, and based on changes. I know I have worked with the administration as well and they have been commenting on a number of issues, and I have worked with the Chairman and Senator Bingaman, who have been very responsive to some of my issues as well.

I do think that we have to expand the program to include secondary workers, as well as a program for farmers and fishermen, increasing the amount of money

available for retraining. In my State of Maine, we have lost thousands and thousands of manufacturing jobs. In just the last few years, there have been more than 7,000 workers in my State that have depended upon the Trade Adjustment Assistance program.

So, it is not only necessary to move forward with this program, but also to move forward in a way that reflects and accommodates the additional issues that need to be addressed through this reauthorization process that provides a far better benefit to displaced workers, reflects the realities of the workplace in making sure they have that kind of support.

In addition, I do think it is critical to provide support to communities. Obviously, when manufacturing plants or any plants are closed down in a community in small towns like in my State, clearly it has a reverberating effect throughout the community.

So, we have to identify those firms that had a direct, and in some cases indirect, relationship with the plant that closed that really does present a hardship in the particular community. I think we also have to provide additional support for retraining, as has been recommended in the legislation before us.

I would hope that we would separate these two issues. I am not sure where I am on the trade promotion.

authority. That is something that I am certainly going to reflect upon. I do think that we should mark up that legislation and have a date-certain commitment if the House of Representatives does move forward in this legislation this week.

I do think that that is going to be important to address in the final analysis, and I am prepared to work on that legislation this month as well, Mr. Chairman and Ranking Member Senator Grassley, who I know is a strong supporter of the trade promotion authority. Thank you.

Senator Hatch. Mr. Chairman?

The Chairman. Senator Hatch?

Senator Hatch. Mr. Chairman, I would like a vote on this. But I can see which way the vote is going to go and there is no reason to put anybody through that.

Would the Chairman commit to a good-faith effort to, if the House does not pass this or they do not act on this, to bringing this up after the first of the year?

The Chairman. Senator, I think we all favor fast track. We all want a fast track that is fair and responsible to American people. I think that a vote today reporting out TAA sends a very strong positive signal for expanding trade, and I hope we pass that bill out today.

With respect to your specific question, in the event

the House does not pass fast track this session, then next year I will, at the earliest possible time, look for a time when we can take up in the committee and have a mark-up on fast track. I cannot give a specific date because next year is next year.

Senator Hatch. Sure.

The Chairman. It is just hard to tell what the timing is next year. But I do think that it is appropriate for us to try to take it up.

Now, on the other hand, if the House vote is very negative, then it might make sense for us to wait a little longer, or maybe speed it up. It is hard to tell.

Senator Hatch. Or we might have to lead on.

The Chairman. You just have my attention, that I will bring up fast track as early as practical within a reasonable way, because we all want to get fast track passed in a way that makes sense.

Senator Hatch. All right. Well, I have listened to my colleagues. It is apparent that it would be basically defeated for a variety of reasons here today, so I will withdraw the amendment and listen to my colleagues.

The Chairman. I thank the Senator.

Senator Breaux. Mr. Chairman?

The Chairman. Senator Breaux?

Senator Breaux. Mr. Chairman, I thank the Senator

from Utah, too. I think it is the right signal to send. I think it is going to be positive. I hope the House passes the bill. I think they probably have the votes to do so, and hope they do.

I have joined with Senator Thomas and we have an amendment. Let us refer to it at this time as the molasses amendment. I will be very brief.

I think our colleagues remember I have talked about this before, but just to remind them. This is an incredible story that is not quite over yet, but I think our amendment helps ensure it does not happen again.

A British multinational corporation imported sugar from Brazil and from some other countries. They did not even have the sugar. They imported it into Canada, where they took the sugar and they mixed it with molasses. Then the exported the molasses which contained the sugar into the United States, thereby trying to get around the tariff on imported sugar because it was molasses.

So when it came into this country, the British multinational corporation that was located in Michigan then took the molasses out and, lo and behold, they had sugar left. They had about 125,000 tons of sugar that they brought in from Canada, got around the tariff quota and the restrictions, and all of a sudden they had sugar in the United States. Not only that, they took the

molasses that they had left and sent it back to Canada and did it again.

Now, it took five years of court litigation to finally reach a decision by the Circuit Court of Appeals that ultimately upheld the Customs Service and said you cannot do that. I mean, you are getting around the laws of the United States. Well, the industry won that case and it won it in the Court of Appeals. That has been settled.

My amendment simply sets up a procedure. It has nothing to do with that case. That case is over. But it sets up a procedure in the Secretary of Agriculture's office and USDA where they would, on a regular basis, identify imports that are attempting to circumvent these tariff and quota laws on sugars and products like this under the Harmonized Tariff Schedule of the United States.

Then when they do that, they would report that information to the President of the United States on articles that are determined to be circumventing these tariff quotas. Then after the President receives that report, he shall, by proclamation, include any article that the Secretary identifies in the appropriate tariff quota schedule.

So the amendment merely sets up a procedure so that,

in the future, we are not going to have this happen again. One of the problems has been that we had this litigation because there was no procedure, really, for handling this.

Our amendment does not affect the court decision. That is finished after five years. But it does set up a procedure in USDA reporting to the President to take care of future potential problems. That is all it does.

The Chairman. Is there any discussion?

Senator Thomas. Mr. Chairman, I just want to thank my friend from Louisiana and join with him. This is a process that is designed to halt obvious circumvention of the rules. I think that ought to be something that is very important here. We talk about trade, we talk about setting up arrangements for trade. Then in this case, there was very overt circumvention of those.

So, we send a signal here, I think, through the sugar marketplace that we will not permit circumvention of the law. It will not be tolerated. We provide the Secretary of Agriculture some authority to deal with this issue in keeping with the law.

So I just think it is a very important reaction to what has been done that has been so clearly in conflict with the rules and the law, and I think it is a great thing for us to add here.

The Chairman. Any further discussion?

[No response]

The Chairman. I might add that the Senator from Wyoming makes a very good point. If we are going to get support from trade, we have to be sure that the rules are followed. In this case, it is clear that the rules are not followed. Canada is circumventing the law.

I very much thank my good friend from Louisiana for offering this amendment, and I strongly support it.

All those in favor, say aye.

[A chorus of ayes]

The Chairman. Those opposed, no.

Senator Grassley. No.

The Chairman. The ayes have it. The amendment passes.

Further amendments?

Senator Grassley. I have an amendment.

The Chairman. Any further amendments?

Senator Grassley. Mr. Chairman, I am going to bring up a point that I brought up on the floor of the Senate on an issue when Customs fees were used for another offset on another piece of legislation. I have a sense of the Senate amendment that Customs user fees should be directly allocated to the U.S. Customs Service, and that this committee should undertake and pass the Customs

Reauthorization bill this year.

I understand from the Chairman's opening statement that he intends to offset the cost of the Trade Adjustment Assistance Act by extending customer user's fees. I would explain my concern with this approach.

When Congress first authorized these Customs fees, the purposes was to underwrite the cost of Customs' commercial operations.

If fees are to be extended--and I emphasize if--it should be done in a Customs Reauthorization bill. Before authorizing the collection of at least $8 billion in Customs user fees, we should have hearings to carefully review, analyze, and debate the broad implications of our actions.

There have been no hearings on extension of Customs user fees, no opportunity to hear from affected businesses or the administration about the implication of extending the fees. There are many concerned businesses.

Allow me to read just a few of the letters that I have received. For instance, the National Association of Foreign Trade Zones. "We recently learned that the Trade Adjustment Assistance bill includes language that would provide for extension of the merchandise process fee to offset the cost of the Trade Adjustment Assistance program.

As you are aware, the fee was originally established by Congress for the cost of the commercial operations of the U.S. Customs Service. The National Association of Foreign Trade Zones is strongly opposed to any extension or reauthorization of the merchandise process fee from their congressionally-intended purpose."

The National Association of Foreign Trade Zones is not alone. We hear this from the National Customs Brokers and Forwarders Association of America.

"We are aware of pending legislation due for consideration regarding Trade Adjustment Assistance. While we support Trade Adjustment Assistance, we cannot support the use of user fees as a pay-for for this program. Merchandise processing fees need to be directed to the agency from which they were collected, the U.S. Customs Service."

Aligent Technologies, a Fortune 500 company and one of the top 100 importers, writes this: "The merchandise processing fee is a user fee paid by importers to cover the costs incurred by Customs to process imports.

If U.S. Customs is to continue collecting the fee, it must directly fund Customs processing improvements, specifically, for the new automated commercial environment and other initiative that are greatly needed to improve the trade process."

Members may be under the mistaken impression that extending these fees is simply keeping a convenient money stream flowing. This should not be the case. The Customs user fee structure includes what those fees are spent on.

By extending for additional years, Congress is also extending those spending priorities for those same years. We are concerned about drugs at the border. If we are, if we keep extending the fees as a pay-for, we extend the whole way the fee money is spent, which, by law, is on commercial activities.

If you are concerned about illegal transshipment of textiles, import restrictions on steel and lumber, back-up of trucks at the border, if we keep extending these fees, there will be no hearing to see if Customs is using the fees for these, and other Congressional priorities.

Customs will keep getting the money and directing it for its own priorities. So, that brings me up to the additional point, that the Customs Service is currently reviewing ways to restructure Customs user fees which are set to expire two years from now.

If we extend the fees, and that extension becomes law, we may never have an opportunity to effectively restructure user fees. A proper process would allow Congress to hold hearings. These hearings then would be

on the user fees and determine, after the hearings, whether Congress' priorities are being met.

Finally, I am sure that it will be argued that extending the fees will have no impact on the Customs' budget. If there is no impact, then why is it in the bill? It is in the bill because it has an impact on budget scoring.

Once CBO scores these funds against Trade Adjustment Assistance, they cannot be used by Customs for Customs' modernization. These funds are no longer available to offset the cost of Customs' modernization. No one can make this point more clearly than the Customs Service itself.

Allow me to read from a memorandum that I received June this year from the Acting Commissioner about the use of Customs users fees as an offset to unrelated programs. "Any scoring of the COBRA extension, which would limit in any way the ability to fund or offset Customs' activities, would likely cause a critical funding shortfall for the Customs Service."

Of course, that really is the key. If we use the Customs' user fees to offset the cost of this bill, they will not be available to offset the costs of a Customs authorization bill, period.

This brings me then to my last point. Today, the

Finance Committee is undertaking a huge expansion of the Trade Adjustment Assistance. While I support Trade Adjustment Assistance and recognize its current problems, I question whether this is the most pressing issue facing the committee. I have mentioned other things that I think are very important.

So, my amendment is very simple. It simply expresses the sense of the Senate that Customs user fees should be directly allocated towards the U.S. Customs Service, and that this committee should undertake and pass a Customs authorization bill this year. I urge my committee for support. I have the letters in toto that I quoted from that I would like to put in the record.

[The letters appear in the appendix.]

Senator Kyl. Mr. Chairman?

The Chairman. Senator Kyl?

Senator Kyl. Thank you.

Mr. Chairman, I would like to offer an amendment--I know it has been distributed to staff--to Senator Grassley's amendment. It is designated number one, by the way.

I totally agree with Senator Grassley that it is important that we retain the Customs fees for the purpose for which they were collected. These are user fees for Customs.

It is critical, with the increased expenses, especially resulting from the September 11th events, that those fees be designated for the multitude of programs that we are mandating for Customs to improve the ability at our border to ensure that no one can bring in contraband and that we do not have unauthorized activity occurring.

There are a whole variety of things that have been taken up. I will explain my amendment, which is a little bit more specific than a sense of the Senate. We are going to need to reauthorize the Customs Border Security Act.

What my amendment does, is to take all of the non-controversial provisions of the House bill, H.R. 3129, the Customs Border Security Act of 2001, and provides for the reauthorization here in this committee as well.

The reauthorization, specifically, is of the Customs' International Trade Commission and the U.S. Trade Representatives Offices' budget for 2002 and 2003, and that is what is included in the House Ways and Means Committee bill.

What I did not include in that bill were the two controversial provisions that relate to a civil liability waiver and pay. But specifically, again, it authorizes the U.S. Customs Service, the International Trade

Commission, and the Office of the U.S. Trade Representatives. I cannot even find out how long it has been since these have been reauthorized, but that is the responsibility of this committee.

Clearly, at this time in our Nation's history, we have got to both provide for that reauthorization, which will then in turn also make it clear that the user fees that Senator Grassley talked about will be used for the purpose for which they were intended.

The amendment specifically will allow Customs, when appropriate, to search outbound mail to help stop terrorism and illegal drug trafficking. It includes numerous provisions in funding authorizations to fighting terrorism and illegal drug trafficking.

It provides for new, better equipment to Customs for its air and sea interdiction programs, authorizing $360 million over two years, and for its U.S.-Mexico border operations at $90 million.

It includes a provision to require advanced electronic manifesting on passengers and cargo so that the Customs Service will have very important information in advance on passengers and cargo.

The administration also has requested that Customs be able to search outgoing mail, since some U.S. mail is used to transmit laundered money out of the country.

This amendment addresses that issue as well.

It also authorizes funding to reestablish the New York Customs offices which were destroyed on September 11th. It also authorizes funding for Customs' new automation system, the automated commercial environment.

Just by way of information, in 1998, I am informed that Customs processed 19.7 million commercial entries, and this volume is expected to double by the year 2005. So, the current automated system is on the brink of shut-down. It suffers brown-outs. This is going to cost us millions of dollars if we do not get this fixed.

So all of these items, in cooperation with the administration, were included within the House Ways and Means bill. As I said, and I hope you will take it on my word here, the two controversial provisions, the only reason it was not unanimously adopted in my view, out of the committee, I dropped so that we could try to get that reauthorization moving here in this committee as well.

I think it is important for both of us to move forward.

The Chairman. Thank you. It is the intention of the Chair to try to pass this legislation in the next three minutes. There is an objection lodged on the floor of this Senate that this committee cannot meet past more than two hours.

I would strongly urge Senators, in the good faith started by Senator Hatch and myself, that is, not bringing up and pushing the fast track legislation, if perhaps the Senator could withdraw this amendment. We can work this out on the floor very easily, the Customs' users provision.

Actually, this is much ado about not an awful lot, because as the Senator well knows, the baseline continues full funding for the Customs Service. We need this as a pay-go under the Senate budget rules, otherwise some other committee is going to take this pay-go and then the same arguments will apply.

Senator Kyl. Mr. Chairman, that is exactly why we have to do this. Senator Grassley is correct. Right now, you are going to be using Customs fees under the underlying bill here to pay for things that they were never intended to be paid for at the very time when we have created a whole group of new obligations on the Customs Service in fighting the war on terrorism.

The Chairman. Senator, I hear you. But, as an accounting matter, that is not really what happens in the Treasury's books. That is not really what happens. I would urge, we have two minutes. I just urge the Senators to let us pass this TAA in two minutes, and then we can come back to these issues on the floor.

Senator Kyl. I have been here the whole time.

The Chairman. You have, very patiently.

Senator Kyl. I have been in the quorum. Everyone else is. Let me just say this. If there is no objection to my amendment, then I am happy to be quiet. I mean, I learned that a long time ago. But I was not sure that you would accept it.

The Chairman. Well, the problem is, it does send a signal that makes it more difficult for us to pass this bill.

Senator Kyl. May I ask why?

The Chairman. Because of the budget rules. It is a small, technical budget rule.

Senator Kyl. Perhaps you could explain that.

The Chairman. We need to pay for it. We need to pay for it.

Senator Kyl. The assumption is that it will be the Customs fees. That is precisely my point.

The Chairman. No, it does not work out that way. That is not the way it is accounted.

Senator Kyl. That objection would lie on the floor. And I am presuming that--and I will be happy to work with the Chairman on this--that we have an absolute commitment that the Customs fees are used to pay for these items. I mean, if we can establish that----

The Chairman. The Customs will be fully funded. That is what is accounted for here.

Senator Kyl. That is not my point.

The Chairman. Time is running. I would ask that the Senator work with me, and I will work with him.

Senator Kyl. I would be happy to work with you, but I am not going to withdraw the amendment, if that is what you are asking me to do. This would have passed unanimously out of Ways and Means, but for the two controversial positions, which I dropped. So, hopefully we can get action on it here.

The Chairman. I ask the Senator to withdraw his amendment if he could, please, so we can work it out on the floor.

Senator Kyl. I will not say anything more about it. I am not trying to take more time from the committee, but I am not going to withdraw the amendment, Mr. Chairman. It is time that we get this reauthorization accomplished. The House is acting on it. Why can we not act on it? We just have to follow the House's lead.

The Chairman. All right. I can accept this amendment.

Senator Kyl. I appreciate that.

The Chairman. I ask for the vote now on TAA.

All those in favor, say aye.

[A chorus of ayes]

The Chairman. Those opposed, no.

[A chorus of nays]

The Chairman. The ayes have it. The bill is reported out of the committee.

[Whereupon, at 11:30 a.m., the meeting was concluded.]

I N D E X

PAGE

STATEMENT OF:

THE HONORABLE MAX BAUCUS
A United States Senator
from the State of Montana 2

THE HONORABLE CHARLES E. GRASSLEY
A United States Senator
from the State of Iowa 8

Gilmour
56 pp.
12-4-01

UNITED STATES SENATE
COMMITTEE ON FINANCE
Max Baucus, Chairman

Tuesday, December 4, 2001
10:00 a.m.
215 Dirksen Senate Office Building

Agenda for Business Meeting

I. **S. 1209, relating to trade adjustment assistance, with Baucus amendment in the nature of a substitute.**

Calendar No. _____

107TH CONGRESS
1ST SESSION

S. 1209

[Report No. 107-____]

IN THE SENATE OF THE UNITED STATES

JULY 19, 2001

Mr. BINGAMAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BREAUX, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. JEFFORDS, Mr. BAYH, Mr. DAYTON, Mr. LIEBERMAN, Mr. DORGAN, Mr. DURBIN, Mr. SCHUMER, Mr. COCHRAN, Mr. CARPER, Ms. CANTWELL, Mr. DODD, Ms. STABENOW, Mrs. CLINTON, Mrs. FEINSTEIN, Mr. NELSON of Nebraska, and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Finance

NOVEMBER ____ (legislative day, _____), 2001

Reported by Mr. BAUCUS, with amendments

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

A BILL

To amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes.

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

[*INSERT TEXT OF S. 1209.IS LINE TYPED*]

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade Adjustment Assistance for Workers, Farmers, Fishermen, Communities, and Firms Act of 2001".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Sec. 101. Adjustment assistance for workers.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Sec. 201. Reauthorization of program.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

Sec. 301. Purpose.
Sec. 302. Trade adjustment assistance for communities.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Sec. 401. Trade adjustment assistance for farmers.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

Sec. 501. Short title.
Sec. 502. Trade adjustment assistance for fishermen.

TITLE VI—HEALTH INSURANCE COVERAGE OPTIONS FOR INDIVIDUALS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

Sec. 601. Premium assistance for COBRA continuation coverage for individuals and their families.
Sec. 602. State option to provide temporary medicaid coverage for certain uninsured individuals.
Sec. 603. State option to provide temporary coverage under medicaid for the unsubsidized portion of COBRA continuation premiums.
Sec. 604. Definitions.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

Sec. 701. Conforming amendments.

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

Sec. 801. Savings provisions.
Sec. 802. Effective date.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 101. ADJUSTMENT ASSISTANCE FOR WORKERS.

Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended to read as follows:

"CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

"Subchapter A—General Provisions

"SEC. 221. DEFINITIONS.

"In this chapter:

"(1) ADDITIONAL COMPENSATION.—The term 'additional compensation' has the meaning given that term in section 205(3) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(2) ADVERSELY AFFECTED EMPLOYMENT.—The term 'adversely affected employment' means employment in a firm or appropriate subdivision of a firm, if workers of that firm or subdivision are eligible to apply for adjustment assistance under this chapter.

"(3) ADVERSELY AFFECTED WORKER.—

"(A) IN GENERAL.—The term 'adversely affected worker' means a worker who is a member of a group of workers certified by the Sec-

retary under section 231(a)(1) as eligible for trade adjustment assistance.

"(B) ADVERSELY AFFECTED SECONDARY WORKER.—The term 'adversely affected worker' includes an adversely affected secondary worker who is a member of a group of workers employed at a downstream producer or a supplier, that is certified by the Secretary under section 231(a)(2) as eligible for trade adjustment assistance.

"(4) AVERAGE WEEKLY HOURS.—The term 'average weekly hours' means the average hours worked by a worker (excluding overtime) in the employment from which the worker has been or claims to have been separated in the 52 weeks (excluding weeks during which the worker was on leave for purposes of vacation, sickness, maternity, military service, or any other employer-authorized leave) preceding the week specified in paragraph (5)(B)(ii).

"(5) AVERAGE WEEKLY WAGE.—

"(A) IN GENERAL.—The term 'average weekly wage' means 1/13 of the total wages paid to an individual in the high quarter.

"(B) DEFINITIONS.—For purposes of computing the average weekly wage—

"(i) the term 'high quarter' means the quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made; and

"(ii) the term 'week' means the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

"(6) BENEFIT PERIOD.—The term 'benefit period' means, with respect to an individual, the following:

"(A) STATE LAW.—The benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation.

"(B) FEDERAL LAW.—The equivalent to the benefit year or ensuing period provided for under the applicable Federal unemployment insurance law.

"(7) BENEFIT YEAR.—The term 'benefit year' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(8) CONTRIBUTED IMPORTANTLY.—The term 'contributed importantly' means a cause that is important but not necessarily more important than any other cause.

"(9) COOPERATING STATE.—The term 'cooperating State' means any State that has entered into an agreement with the Secretary under section 222.

"(10) CUSTOMIZED TRAINING.—The term 'customized training' means training undertaken by an individual to specifications provided by and in close consultation with an employer in consideration of the employer's commitment to hire the individual upon successful completion of the agreed training program.

"(11) DOWNSTREAM PRODUCER.—The term 'downstream producer' means a firm that performs additional, value-added production processes, including a firm that performs final assembly, finishing, or packaging of articles produced by another firm.

"(12) EXTENDED COMPENSATION.—The term 'extended compensation' has the meaning given that

term in section 205(4) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(13) JOB FINDING CLUB.—The term 'job finding club' means a job search workshop which includes a period of structured, supervised activity in which participants attempt to obtain jobs.

"(14) JOB SEARCH PROGRAM.—The term 'job search program' means a job search workshop or job finding club.

"(15) JOB SEARCH WORKSHOP.—The term 'job search workshop' means a short (1- to 3-day) seminar, covering subjects such as labor market information, résumé writing, interviewing techniques, and techniques for finding job openings, that is designed to provide participants with knowledge that will enable the participants to find jobs.

"(15) ON-THE-JOB TRAINING.—The term 'on-the-job training' has the same meaning as that term has in section 101(31) of the Workforce Investment Act.

"(16) PARTIAL SEPARATION.—A partial separation shall be considered to exist with respect to an individual if—

"(A) the individual has had a 20-percent or greater reduction in the average weekly hours worked by that individual in adversely affected employment; and

"(B) the individual has had a 20-percent or greater reduction in the average weekly wage of the individual with respect to adversely affected employment.

"(17) REGULAR COMPENSATION.—The term 'regular compensation' has the meaning given that term in section 205(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(18) SECRETARY.—The term 'Secretary' means the Secretary of Labor.

"(19) STATE.—The term 'State' includes each State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(20) STATE AGENCY.—The term 'State agency' means the agency of the State that administers the State law.

"(21) STATE LAW.—The term 'State law' means the unemployment insurance law of the State approved by the Secretary under section 3304 of the Internal Revenue Code of 1986.

"(22) SUPPLIER.—The term 'supplier' means a firm that produces component parts for, or articles considered to be a part of, the production process for articles produced by a firm or subdivision covered by a certification of eligibility under section 231. The term 'supplier' also includes a firm that provides services under contract to a firm or subdivision covered by such certification.

"(23) TOTAL SEPARATION.—The term 'total separation' means the layoff or severance of an individual from employment with a firm in which or in a subdivision of which, adversely affected employment exists.

"(24) UNEMPLOYMENT INSURANCE.—The term 'unemployment insurance' means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

"(25) WEEK.—Except as provided in paragraph 5(B)(ii), the term 'week' means a week as defined in the applicable State law.

"(26) WEEK OF UNEMPLOYMENT.—The term 'week of unemployment' means a week of total, part-

total, or partial unemployment as determined under the applicable State law or Federal unemployment insurance law.

"SEC. 222. AGREEMENTS WITH STATES.

"(a) IN GENERAL.—The Secretary is authorized on behalf of the United States to enter into an agreement with any State to facilitate the provision of services under this chapter.

"(b) TERMS OF AGREEMENTS.—

"(1) IN GENERAL.—Any agreement entered into under subsection (a) shall require that the delivery of services under this chapter take place under terms and conditions as are established by the Secretary in consultation with the State and set forth in the agreement.

"(2) PROVISIONS OF AGREEMENTS.—Under an agreement entered into under subsection (a), and as an agent of the United States, the State shall—

"(A) facilitate the early filing of petitions under section 231(b) for any group of workers that the State considers are likely to be eligible for benefits under this chapter;

"(B) assist the Secretary in the review of any petition submitted from that State by

verifying the information and providing other assistance as the Secretary may request;

"(C) provide to adversely affected workers statewide rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)) in the same manner and to the same extent as any other worker eligible for those activities;

"(D) arrange for the provision of services through the one-stop delivery system established in section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c));

"(E) advise each worker who applies for unemployment insurance of the available benefits under this chapter and the procedures and deadlines for applying for those benefits;

"(F) receive applications for services under this chapter;

"(G) provide payments on the basis provided in this chapter;

"(H) afford adversely affected workers the services provided under section 134(d) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)) in the same manner and to the same

extent as any other worker eligible for those services;

"(I) advise each adversely affected worker to apply for training under section 240, and of the deadlines for benefits related to enrollment in training under this chapter;

"(J) ensure that the State employees with responsibility for carrying out an agreement entered into under subsection (a)—

"(i) inform adversely affected workers covered by a certification issued under section 231(c) of the workers' (and individual member's of the worker's family) potential eligibility for—

"(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

"(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

"(III) child care services for which assistance is provided under the

Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); and

"(IV) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

"(ii) provide such workers with information regarding how to apply for such assistance, services, and programs;

"(K) provide adversely affected workers referral to training approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), or any other available Federal or State program designed to assist dislocated workers or unemployed individuals;

"(L) provide training services under this chapter using organizations approved by the Secretary to effectively assist workers eligible for assistance under this chapter;

"(M) collect and transmit to the Secretary any data as the Secretary shall reasonably require to assist the Secretary in assuring the ef-

fective and efficient performance of the programs carried out under this chapter; and

"(N) otherwise actively cooperate with the Secretary and with other Federal and State agencies in providing payments and services under this chapter, including participation in the performance measurement system established by the Secretary under section 224.

"(c) OTHER PROVISIONS .—

"(1) APPROVAL OF TRAINING PROVIDERS .—The Secretary shall ensure that the training services provided by cooperating States are provided by organizations approved by the Secretary to effectively assist workers eligible for assistance under this chapter.

"(2) AMENDMENT , SUSPENSION , OR TERMINATION OF AGREEMENTS .—Each agreement entered into under this section shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"(3) EFFECT ON UNEMPLOYMENT INSURANCE.—Each agreement entered into under this section shall provide that unemployment insurance otherwise payable to any adversely affected worker will

not be denied or reduced for any week by reason of any right to payments under this chapter.

"(4) COORDINATION OF WORKFORCE INVESTMENT ACTIVITIES.—In order to promote the coordination of Workforce Investment Act activities in each State with activities carried out under this chapter, each agreement entered into under this section shall provide that the State shall submit to the Secretary, in a form as the Secretary may require, the description and information described in paragraphs (8) and (14) of section 112(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b)(8) and (14)).

"(d) REVIEW OF STATE DETERMINATIONS.—

"(1) IN GENERAL.—A determination by a cooperating State regarding entitlement to program benefits under this chapter is subject to review in the same manner and to the same extent as determinations under the applicable State law.

"(2) APPEAL.—A review undertaken by a cooperating State under paragraph (1) may be appealed to the Secretary pursuant to such regulations as the Secretary may prescribe.

"SEC. 223. ADMINISTRATION ABSENT STATE AGREEMENT.

"(a) IN GENERAL.—In any State in which there is no agreement in force under section 222, the Secretary shall arrange, under regulations prescribed by the Secretary, for the performance of all necessary functions under this chapter, including providing a hearing for any worker whose application for payment is denied.

"(b) FINALITY OF DETERMINATION.—A final determination under subsection (a) regarding entitlement to program benefits under this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. 405(g)).

"SEC. 224. DATA COLLECTION; EVALUATIONS; REPORTS.

"(a) DATA COLLECTION.—The Secretary shall, pursuant to regulations prescribed by the Secretary, collect any data necessary to meet the requirements of this chapter.

"(b) PERFORMANCE EVALUATIONS.—The Secretary shall establish an effective performance measuring system to evaluate the following:

"(1) PROGRAM PERFORMANCE.—

"(A) speed of petition processing;

"(B) quality of petition processing;

"(C) cost of training programs;

"(D) coordination of programs under this title with programs under the Workforce Investment Act (29 U.S.C. 2801 et seq.);

"(E) length of time participants take to enter and complete training programs;

"(F) the effectiveness of individual contractors in providing appropriate retraining information;

"(G) the effectiveness of individual approved training programs in helping workers obtain employment;

"(H) best practices related to the provision of benefits and retraining; and

"(I) other data to evaluate how individual States are implementing the requirements of this title.

"(2) PARTICIPANT OUTCOMES.—

"(A) reemployment rates;

"(B) types of jobs in which displaced workers have been placed;

"(C) wage and benefit maintenance results;

"(D) training completion rates; and

"(E) other data to evaluate how effective programs under this chapter are for partici-

pants, taking into consideration current economic conditions in the State.

"(3) PROGRAM PARTICIPATION DATA.—

"(A) the number of workers receiving benefits and the type of benefits being received;

"(B) the number of workers enrolled in, and the duration of, training by major types of training;

"(C) earnings history of workers that reflects wages before separation and wages in any job obtained after receiving benefits under this Act;

"(D) the cause of dislocation identified in each certified petition; and

"(E) the number of petitions filed and workers certified in each United States congressional district.

"(c) STATE PARTICIPATION.—The Secretary shall ensure, to the extent practicable, through oversight and effective internal control measures the following:

"(1) STATE PARTICIPATION.—Participation by each State in the performance measurement system established under subsection (b).

"(2) MONITORING.—Monitoring by each State of internal control measures with respect to performance measurement data collected by each State.

"(3) RESPONSE.—The quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)).

"(d) REPORTS.—

"(1) REPORTS BY THE SECRETARY.—

"(A) INITIAL REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

"(i) describes the performance measurement system established under subsection (b);

"(ii) includes analysis of data collected through the system established under subsection (b);

"(iii) includes information identifying the number of workers who received waivers under section 235(c) and the average

duration of those during the preceding year;

"(iv) describes and analyzes State participation in the system;

"(v) analyzes the quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)); and

"(vi) provides recommendations for program improvements.

"(B) ANNUAL REPORT.—Not later than 1 year after the date the report is submitted under subparagraph (A), and annually thereafter, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that includes the information collected under clauses (ii) through (v) of subparagraph (A).

"(2) STATE REPORTS.—Pursuant to regulations prescribed by the Secretary, each State shall submit to the Secretary a report that details its participation in the programs established under this chapter, and that contains the data necessary to allow the

Secretary to submit the report required under paragraph (1).

"(3) PUBLICATION.—The Secretary shall make available to each State, and other public and private organizations as determined by the Secretary, the data gathered and evaluated through the performance measurement system established under paragraph (1).

"SEC. 225. STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

"(a) NOTIFICATION OF INVESTIGATION.—Whenever the International Trade Commission begins an investigation under section 202 with respect to an industry, the Commission shall immediately notify the Secretary of that investigation, and the Secretary shall immediately begin a study of—

"(1) the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified as eligible for adjustment assistance under this chapter; and

"(2) the extent to which the adjustment of those workers to the import competition may be facilitated through the use of existing programs.

"(b) REPORT.—

"(1) IN GENERAL.—The Secretary shall provide a report based on the study conducted under subsection (a) to the President not later than 15 days after the day on which the Commission makes its report under section 202(f).

"(2) PUBLICATION.—The Secretary shall promptly make public the report provided to the President under paragraph (1) (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

"Subchapter B—Certifications

"SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED WORKERS.

"(a) ELIGIBILITY FOR CERTIFICATION.—

"(1) GENERAL RULE.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected workers and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that—

"(A) a significant number or proportion of the workers in the workers' firm or an appro-

priate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated; and

"(B)(i)(I) the value or volume of imports of articles like or directly competitive with articles produced by that firm or subdivision have increased; and

"(II) the increase in the value or volume of imports described in subclause (I) contributed importantly to the workers' separation or threat of separation; or

"(ii)(I) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision; and

"(II) the shift in production described in subclause (I) contributed importantly to the workers' separation or threat of separation.

"(2) ADVERSELY AFFECTED SECONDARY WORKER.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition

filed under subsection (b) if the Secretary determines that—

"(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

"(B) the workers' firm (or subdivision) is a supplier to a firm (or subdivision) or downstream producer to a firm (or subdivision) described in paragraph (1)(B) (i) or (ii); and

"(C) a loss of business with a firm (or subdivision) described in paragraph (1)(B) (i) or (ii) contributed importantly to the workers' separation or threat of separation determined under subparagraph (A).

"(3) SPECIAL PROVISIONS.—

"(A) OIL AND NATURAL GAS PRODUCERS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

"(B) OIL AND NATURAL GAS IMPORTS.—For purposes of this section, any firm, or ap-

propriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

"(C) TACONITE.—For purposes of this Act, taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semifinished steel slab.

"(D) SERVICE WORKERS.—

"(i) IN GENERAL.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001, the Secretary shall establish a program to provide assistance under this chapter to domestic operators of motor carriers who are adversely affected by competition from foreign owned and operated motor carriers.

"(ii) DATA COLLECTION SYSTEM.—Not later than 6 months after the date of enactment of the Trade Adjustment Assist-

ance for Workers, Farmers, Communities, and Firms Act of 2001, the Secretary shall put in place a system to collect data on adversely affected service workers that includes the number of workers by State, industry and cause of dislocation for each worker.

"(iii) REPORT.—Not later than 2 years after the date of enactment of the Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001, the Secretary shall report to Congress the results of a study on means for extending the programs in this chapter to adversely affected service workers, including legislative recommendations.

"(E) SMALL BUSINESS ADMINISTRATION PILOT PROGRAM.—The Director of the SBA shall create a pilot program to permit an individual certified under this section, receiving training under section 240 and trade adjustment allowances under sections 235 through 238, to develop a self-employment plan consistent with existing SBA business development practices.

"(b) PETITIONS.—

"(1) IN GENERAL.—A petition for certification of eligibility for trade adjustment assistance under this chapter for a group of adversely affected workers shall be filed with the Secretary and with the Governor of the State in which the firm or subdivision of the firm employing the workers is located.

"(2) PERSONS WHO MAY FILE A PETITION.—A petition under paragraph (1) may be filed by any of the following:

"(A) WORKERS.—The group of workers (including workers in an agricultural firm or subdivision or any agricultural firm).

"(B) WORKER REPRESENTATIVES.—The certified or recognized union or other duly appointed representative of the workers.

"(C) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION.—Any entity to which notice of a plant closing or mass layoff must be given under section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102).

"(D) OTHER.—Employers of workers described in subparagraph (A), one-stop operators or one-stop partners (as defined in section 101

of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of the workers.

"(E) REQUEST TO INITIATE CERTIFICATION.—The President, or the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives (by resolution), may direct the Secretary to initiate a certification process under this chapter to determine the eligibility for trade adjustment assistance of a group of workers.

"(3) ACTIONS BY GOVERNOR.—

"(A) COOPERATING STATE.—Upon receipt of a petition, the Governor of a cooperating State shall ensure that the requirements of the agreement entered into under section 222 are met.

"(B) OTHER STATES.—Upon receipt of a petition, the Governor of a State that has not entered into an agreement under section 222 shall coordinate closely with the Secretary to ensure that workers covered by a petition are—

"(i) provided with all available services, including rapid response activities

under section 134 of the Workforce Investment Act (29 U.S.C. 2864);

"(ii) informed of the workers' (and individual member's of the worker's family) potential eligibility for—

"(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

"(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

"(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); and

"(IV) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

"(iii) provided with information regarding how to apply for the assistance, services, and programs described in clause (ii).

"(c) ACTIONS BY SECRETARY.—

"(1) IN GENERAL.—As soon as possible after the date on which a petition is filed under subsection (b), but not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of subsection (a) and if warranted, shall issue a certification of eligibility for trade adjustment assistance under this subchapter. In making the determination, the Secretary shall consult with all petitioning entities.

"(2) PUBLICATION OF DETERMINATION.—Upon making a determination under paragraph (1), the Secretary shall promptly publish a summary of the determination in the Federal Register together with the reasons for making that determination.

"(3) DATE SPECIFIED IN CERTIFICATION.—Each certification made under this subsection shall specify the date on which the total or partial separation began or threatened to begin with respect to a group of certified workers.

"(4) PROJECTED TRAINING NEEDS.—The Secretary shall inform the State Workforce Investment Board or equivalent agency, and other public or private agencies, institutions, employers, and labor organizations, as appropriate, of each certification issued under section 231 and of projections, if available, of the needs for training under section 240 as a result of that certification.

"(d) SCOPE OF CERTIFICATION.—

"(1) IN GENERAL.—A certification issued under subsection (c) shall cover adversely affected workers in any group that meets the requirements of subsection (a), whose total or partial separation occurred on or after the date on which the petition was filed under subsection (b).

"(2) WORKERS SEPARATED PRIOR TO CERTIFICATION.—A certification issued under subsection (c) shall cover adversely affected workers whose total or partial separation occurred not more than 1 year prior to the date on which the petition was filed under subsection (b).

"(e) TERMINATION OF CERTIFICATION.—

"(1) IN GENERAL.—If the Secretary determines, with respect to any certification of eligibility, that workers separated from a firm or subdivision

covered by a certification of eligibility are no longer adversely affected workers, the Secretary shall terminate the certification.

"(2) PUBLICATION OF TERMINATION.—The Secretary shall promptly publish notice of any termination made under paragraph (1) in the Federal Register together with the reasons for making that determination.

"(3) APPLICATION.—Any determination made under paragraph (1) shall apply only to total or partial separations occurring after the termination date specified by the Secretary.

"SEC. 232. BENEFIT INFORMATION TO WORKERS.

"(a) IN GENERAL.—The Secretary shall, in accordance with the provisions of section 222 or 223, as appropriate, provide prompt and full information to adversely affected workers covered by a certification issued under section 231(c), including information regarding—

"(1) benefit allowances, training, and other employment services available under this chapter;

"(2) petition and application procedures under this chapter;

"(3) appropriate filing dates for the allowances, training, and services available under this chapter; and

"(4) procedures for applying for and receiving all other Federal benefits and services available to separated workers during a period of unemployment.

"(b) ASSISTANCE TO GROUPS OF WORKERS.—

"(1) IN GENERAL.—The Secretary shall provide any necessary assistance to enable groups of workers to prepare petitions or applications for program benefits.

"(2) ASSISTANCE FROM STATES.—The Secretary shall ensure that cooperating States fully comply with the agreements entered into under section 222 and shall periodically review that compliance.

"(c) NOTICE.—

"(1) IN GENERAL.—Not later that 15 days after a certification is issued under section 231 (or as soon as practicable after separation), the Secretary shall provide written notice of the benefits available under this chapter to each worker whom the Secretary has reason to believe is covered by the certification.

"(2) PUBLICATION OF NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to workers covered by each certification made under section 231 in newspapers of general

circulation in the areas in which those workers reside.

"Subchapter C—Program Benefits

"PART I—GENERAL PROVISIONS

"SEC. 234. COMPREHENSIVE ASSISTANCE.

"Workers covered by a certification issued by the Secretary under section 231 shall be eligible for the following:

"(1) Trade adjustment allowances as described in sections 235 through 238.

"(2) Employment services as described in section 239.

"(3) Training as described in section 240.

"(4) Job search allowances as described in section 241.

"(5) Relocation allowances as described in section 242.

"(6) Supportive services and wage insurance as described in section 243.

"(7) Health insurance coverage options as described in title VI of the Trade Adjustment Assistance for Workers, Farmers, Fishermen, Communities, and Firms Act of 2001.

"PART II—TRADE ADJUSTMENT ALLOWANCES

"SEC. 235. QUALIFYING REQUIREMENTS FOR WORKERS.

"(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected worker covered by a certification under section 231 who files an application for the allowance for any week of unemployment that begins more than 60 days after the date on which the petition that resulted in the certification was filed under section 231, if the following conditions are met:

"(1) TIME OF TOTAL OR PARTIAL SEPARATION FROM EMPLOYMENT.—The adversely affected worker's total or partial separation before the worker's application under this chapter occurred—

"(A) on or after the date, as specified in the certification under which the worker is covered, on which total or partial separation from adversely affected employment began or threatened to begin in the adversely affected employment;

"(B) before the expiration of the 2-year period beginning on the date on which the certification under section 231 was issued; and

"(C) before the termination date (if any) determined pursuant to section 231(e).

"(2) EMPLOYMENT REQUIRED.—

"(A) IN GENERAL.—The adversely affected worker had, in the 52-week period ending with the week in which the total or partial separation occurred, at least 26 weeks of employment at wages of $30 or more a week with a single firm or subdivision of a firm.

"(B) UNAVAILABILITY OF DATA.—If data with respect to weeks of employment with a firm are not available, the worker had equivalent amounts of employment computed under regulations prescribed by the Secretary.

"(C) WEEK OF EMPLOYMENT.—For the purposes of this paragraph any week shall be treated as a week of employment at wages of $30 or more, if an adversely affected worker—

"(i) is on employer-authorized leave for purposes of vacation, sickness, injury, maternity, or inactive duty or active duty military service for training;

"(ii) does not work because of a disability that is compensable under a workmen's compensation law or plan of a State or the United States;

"(iii) had employment interrupted in order to serve as a full-time representative

of a labor organization in that firm or subdivision; or

"(iv) is on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided that active duty is 'Federal service' as defined in section 8521(a)(1) of title 5, United States Code.

"(D) EXCEPTIONS.—

"(i) In the case of weeks described in clause (i) or (iii) of subparagraph (C), or both, not more than 7 weeks may be treated as weeks of employment under subparagraph (C).

"(ii) In the case of weeks described in clause (ii) or (iv) of subparagraph (C), not more than 26 weeks may be treated as weeks of employment under subparagraph (C).

"(3) UNEMPLOYMENT COMPENSATION.—The adversely affected worker meets all of the following requirements:

"(A) ENTITLEMENT TO UNEMPLOYMENT INSURANCE.—The worker was entitled to (or would be entitled to if the worker applied for)

unemployment insurance for a week within the benefit period—

"(i) in which total or partial separation took place; or

"(ii) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by the worker after total or partial separation.

"(B) EXHAUSTION OF UNEMPLOYMENT INSURANCE.—The worker has exhausted all rights to any unemployment insurance to which the worker was entitled (or would be entitled if the worker had applied for any unemployment insurance).

"(C) NO UNEXPIRED WAITING PERIOD.—The worker does not have an unexpired waiting period applicable to the worker for any unemployment insurance.

"(4) EXTENDED UNEMPLOYMENT COMPENSATION.—The adversely affected worker, with respect to a week of unemployment, would not be disqualified for extended compensation payable under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) by reason

of the work acceptance and job search requirements in section 202(a)(3) of that Act.

"(5) TRAINING.—The adversely affected worker is enrolled in a training program approved by the Secretary under section 240(a), and the enrollment occurred not later than the latest of the periods described in subparagraph (A), (B), or (C).

"(A) 16 WEEKS.—The worker enrolled not later than the last day of the 16th week after the worker's most recent total separation that meets the requirements of paragraphs (1) and (2).

"(B) 8 WEEKS.—The worker enrolled not later than the last day of the 8th week after the week in which the Secretary issues a certification covering the worker.

"(C) EXTENUATING CIRCUMSTANCES.—Notwithstanding subparagraphs (A) and (B), the adversely affected worker is eligible for trade adjustment assistance if the worker enrolled not later than 45 days after the later of the dates specified in subparagraph (A) or (B), and the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period.

"(b) FAILURE TO PARTICIPATE IN TRAINING.—

"(1) IN GENERAL.—Until the adversely affected worker begins or resumes participation in a training program approved under section 240(a), no trade adjustment allowance may be paid under subsection (a) to an adversely affected worker for any week or any succeeding week in which—

"(A) the Secretary determines that—

"(i) the adversely affected worker—

"(I) has failed to begin participation in a training program the enrollment in which meets the requirement of subsection (a)(5); or

"(II) has ceased to participate in such a training program before completing the training program; and

"(ii) there is no justifiable cause for the failure or cessation; or

"(B) the waiver issued to that worker under subsection (c)(1) is revoked under subsection (c)(2).

"(2) EXCEPTION.—The provisions of subsection (a)(5) and paragraph (1) shall not apply with respect to any week of unemployment that begins be-

fore the first week following the week in which the certification is issued under section 231.

"(c) WAIVERS OF TRAINING REQUIREMENTS.—

"(1) ISSUANCE OF WAIVERS.—The Secretary may issue a written statement to an adversely affected worker waiving the requirement to be enrolled in training described in subsection (a) if the Secretary determines that the training requirement is not feasible or appropriate for the worker, as indicated by 1 or more of the following:

"(A) RECALL.—The worker has been notified that the worker will be recalled by the firm from which the separation occurred.

"(B) MARKETABLE SKILLS.—The worker has marketable skills as determined pursuant to an assessment of the worker, which may include the profiling system under section 303(j) of the Social Security Act (42 U.S.C. 503(j)), carried out in accordance with guidelines issued by the Secretary.

"(C) RETIREMENT.—The worker is within 2 years of meeting all requirements for entitlement to either—

"(i) old-age insurance benefits under title II of the Social Security Act (42

U.S.C. 401 et seq.) (except for application therefore); or

"(ii) a private pension sponsored by an employer or labor organization.

"(D) HEALTH.—The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

"(E) ENROLLMENT UNAVAILABLE.—The first available enrollment date for the approved training of the worker is within 60 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

"(F) DURATION.—The duration of training appropriate for the individual to obtain suitable employment exceeds the individual's maximum entitlement to basic and additional trade adjustment allowances and, in addition, finan-

cial support available through other Federal or State programs, including chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.), that would enable the individual to complete a suitable training program cannot be assured.

"(G) EMPLOYMENT AVAILABLE.—There is employment (which may include technical and professional employment) available for an adversely affected worker that offers equivalent wages to those that the adversely affected worker earned prior to separation.

"(H) NO BENEFIT.—The worker would not benefit from any training, or no training that is suitable for the worker is available at a reasonable cost.

"(I) NO REASONABLE EXPECTATION OF EMPLOYMENT.—There is no reasonable expectation of employment following completion of the training.

"(J) TRAINING NOT AVAILABLE.—Training approved by the Secretary is not reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as de-

fined in section 3 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2302), and employers).

"(K) WORKER NOT QUALIFIED.—The worker is not qualified to undertake and complete any training.

"(2) DURATION OF WAIVERS.—

"(A) IN GENERAL.—A waiver issued under paragraph (1) shall be effective for not more than 6 months after the date on which the waiver is issued, unless the Secretary determines otherwise.

"(B) REVOCATION.—The Secretary shall revoke a waiver issued under paragraph (1) if the Secretary determines that the basis of a waiver is no longer applicable to the worker.

"(3) AMENDMENTS UNDER SECTION 222.—

"(A) ISSUANCE BY COOPERATING STATES.—Pursuant to an agreement under section 222, the Secretary may authorize a cooperating State to issue waivers as described in paragraph (1) (except for the determination under subparagraphs (F) and (G) of paragraph (1)).

"(B) SUBMISSION OF STATEMENTS.—An agreement under section 222 shall include a requirement that the cooperating State submit to the Secretary the written statements provided pursuant to paragraph (1) and a statement of the reasons for the waiver.

"(4) REASONABLE EXPECTATION OF EMPLOYMENT.—For purposes of applying subsection (c)(1)(I), a reasonable expectation of employment does not require that employment opportunities for a worker be available, or offered, immediately upon the completion of training approved under this section.

"SEC. 236. WEEKLY AMOUNTS.

"(a) IN GENERAL.—Subject to subsections (b) and (c), the trade adjustment allowance payable to an adversely affected worker for a week of total unemployment shall be an amount equal to 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 235(a)(3)(B)) reduced (but not below zero) by—

"(1) any training allowance deductible under subsection (c); and

"(2) any income that is deductible from unemployment insurance under the disqualifying income provisions of the applicable State law or Federal unemployment insurance law.

"(b) ADJUSTMENT FOR WORKERS RECEIVING TRAINING.—

"(1) IN GENERAL.—Any adversely affected worker who is entitled to a trade adjustment allowance and who is receiving training approved by the Secretary, shall receive for each week in which the worker is undergoing that training, a trade adjustment allowance in an amount (computed for such week) equal to the greater of—

"(A) the amount computed under subsection (a); or

"(B) the amount of any weekly allowance for that training to which the worker would be entitled under any other Federal law for the training of workers, if the worker applied for that allowance.

"(2) ALLOWANCE PAID IN LIEU OF.—Any trade adjustment allowance calculated under paragraph (1) shall be paid in lieu of any training allowance to which the worker would be entitled under any other Federal law.

"(3) COORDINATION WITH UNEMPLOYME NT INSURANCE.—Any week in which a worker undergoing training approved by the Secretary receives payments from unemployment insurance shall be subtracted from the total number of weeks for which a worker may receive trade adjustment allowance under this chapter.

"(c) ADJUSTMENT FOR WORKER S RECEIVING ALLOWANCE S UNDER OTHER FEDERAL LAW.—

"(1) REDUCTION IN WEEKS FOR WHICH ALLOWANCE WILL BE PAID.—If a training allowance under any Federal law (other than this Act) is paid to an adversely affected worker for any week of unemployment with respect to which the worker would be entitled (determined without regard to any disqualification under section 235(b)) to a trade adjustment allowance if the worker applied for that allowance, each week of unemployment shall be deducted from the total number of weeks of trade adjustment allowance otherwise payable to that worker under section 235(a) when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance.

"(2) PAYMENT OF DIFFERE NCE.—If the training allowance paid to a worker for any week of un-

employment is less than the amount of the trade adjustment allowance to which the worker would be entitled if the worker applied for the trade adjustment allowance, the worker shall receive, when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance, a trade adjustment allowance for that week equal to the difference between the training allowance and the trade adjustment allowance computed under subsection (b).

"SEC. 237. LIMITATIONS ON TRADE ADJUSTMENT ALLOWANCES.

"(a) AMOUNT PAYABLE.—The maximum amount of trade adjustment allowance payable to an adversely affected worker, with respect to the period covered by any certification, shall be the amount that is the product of 104 multiplied by the trade adjustment allowance payable to the worker for a week of total unemployment (as determined under section 236) reduced by the total sum of the unemployment insurance to which the worker was entitled (or would have been entitled if the worker had applied for unemployment insurance) in the worker's first benefit period described in section 235(a)(3)(A).

"(b) DURATION OF PAYMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a trade adjustment allowance shall not be paid for any week occurring after the close of the 104-week period that begins with the first week following the week in which the adversely affected worker was most recently totally separated—

"(A) within the period that is described in section 235(a)(1); and

"(B) with respect to which the worker meets the requirements of section 235(a)(2).

"(2) SPECIAL RULES.—

"(A) BREAK IN TRAINING.—For purposes of this chapter, a worker shall be treated as participating in a training program approved by the Secretary under section 240(a) during any week that is part of a break in a training that does not exceed 30 days if—

"(i) the worker was participating in a training program approved under section 240(a) before the beginning of the break in training; and

"(ii) the break is provided under the training program.

"(B) ON-THE-JOB TRAINING.—No trade adjustment allowance shall be paid to a worker

under this chapter for any week during which the worker is receiving on-the-job training, except that a trade adjustment allowance shall be paid if a worker is enrolled in a non-paid customized training program.

"(c) ADJUSTMENT OF AMOUNTS PAYABLE.—Amounts payable to an adversely affected worker under this chapter shall be subject to adjustment on a week-to-week basis as may be required by section 236.

"(d) YEAR-END ADJUSTMENT.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other provision of law, if the benefit year of a worker ends within an extended benefit period, the number of weeks of extended benefits that the worker would, but for this subsection, be entitled to in that extended benefit period shall not be reduced by the number of weeks for which the worker was entitled, during that benefit year, to trade adjustment allowances under this part.

"(2) EXTENDED BENEFITS PERIOD.—For the purpose of this section the term 'extended benefit period' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"SEC. 238. APPLICATION OF STATE LAWS.

"(a) IN GENERAL.—Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law under which an adversely affected worker is entitled to unemployment insurance (whether or not the worker has filed a claim for such insurance), or, if the worker is not so entitled to unemployment insurance, of the State in which the worker was totally or partially separated, shall apply to a worker that files an application for trade adjustment assistance.

"(b) DURATION OF APPLICABILITY.—The State law determined to be applicable with respect to a separation of an adversely affected worker shall remain applicable for purposes of subsection (a), with respect to a separation until the worker becomes entitled to unemployment insurance under another State law (whether or not the worker has filed a claim for that insurance).

"PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

"SEC. 239. EMPLOYMENT SERVICES.

"The Secretary shall, in accordance with section 222 or 223, as applicable, make every reasonable effort to secure for adversely affected workers covered by a certification under section 231, counseling, testing, placement,

and other services provided for under any other Federal law.

"SEC. 240. TRAINING.

"(a) APPROVED TRAINING PROGRAMS.—

"(1) IN GENERAL.—The Secretary shall approve training programs that include—

"(A) on-the-job training or customized training;

"(B) any employment or training activity provided through a one-stop delivery system under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.);

"(C) any program of adult education;

"(D) any training program (other than a training program described in paragraph (3) for which all, or any portion, of the costs of training the worker are paid—

"(i) under any Federal or State program other than this chapter; or

"(ii) from any source other than this section; and

"(E) any other training program that the Secretary determines is acceptable to meet the needs of an adversely affected worker.

In making the determination under subparagraph (E), the Secretary shall consult with interested parties.

"(2) TRAINING AGREEMENTS.—Before approving any training to which subsection (f)(1)(C) may apply, the Secretary may require that the adversely affected worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under subsection (b) the portion of the costs of the training that the worker has reason to believe will be paid under the program, or by the source, described in clause (i) or (ii) of subsection (f)(1)(C).

"(3) LIMITATION ON APPROVALS.—The Secretary shall not approve a training program if all of the following apply:

"(A) PAYMENT BY PLAN.—Any portion of the costs of the training program are paid under any nongovernmental plan or program.

"(B) RIGHT TO OBTAIN.—The adversely affected worker has a right to obtain training or funds for training under that plan or program.

"(C) REIMBURSEMENT.—The plan or program requires the worker to reimburse the plan

or program from funds provided under this chapter, or from wages paid under the training program, for any portion of the costs of that training program paid under the plan or program.

"(b) PAYMENT OF TRAINING COSTS.—

"(1) IN GENERAL.—Upon approval of a training program under subsection (a), and subject to the limitations imposed by this section, an adversely affected worker covered by a certification issued under section 231 may be eligible to have payment of the costs of that training, including any costs of an approved training program incurred by a worker before a certification was issued under section 231, made on behalf of the worker by the Secretary directly or through a voucher system.

"(2) ON-THE-JOB TRAINING AND CUSTOMIZED TRAINING.—

"(A) PROVISION OF TRAINING ON THE JOB OR CUSTOMIZED TRAINING.—If the Secretary approves training under subsection (a), the Secretary shall, insofar as possible, provide or assure the provision of that training on the job or customized training, and any training on the job or customized training that is approved by

the Secretary under subsection (a) shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

"(B) MONTHLY INSTALLMENTS.—If the Secretary approves payment of any on-the-job training or customized training under subsection (a), the Secretary shall pay the costs of that training in equal monthly installments.

"(C) LIMITATIONS.—The Secretary may pay the costs of on-the-job training or customized training only if—

"(i) no employed worker is displaced by the adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits);

"(ii) the training does not impair contracts for services or collective bargaining agreements;

"(iii) in the case of training that would affect a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained;

"(iv) no other individual is on layoff from the same, or any substantially equivalent, job for which the adversely affected worker is being trained;

"(v) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring the adversely affected worker;

"(vi) the job for which the adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals;

"(vii) the training is not for the same occupation from which the worker was separated and with respect to which the worker's group was certified pursuant to section 231;

"(viii) the employer certifies to the Secretary that the employer will continue to employ the worker for at least 26 weeks after completion of the training if the

worker desires to continue the employment and the employer does not have due cause to terminate the employment;

"(ix) the employer has not received payment under subsection (b)(1) with respect to any other on-the-job training provided by the employer or customized training that failed to meet the requirements of clauses (i) through (vi); and

"(x) the employer has not taken, at any time, any action that violated the terms of any certification described in clause (viii) made by that employer with respect to any other on-the-job training provided by the employer or customized training for which the Secretary has made a payment under paragraph (1).

"(c) CERTAIN WORKERS ELIGIBLE FOR TRAINING BENEFITS.—An adversely affected worker covered by a certification issued under section 231, who is not qualified to receive a trade adjustment allowance under section 235, may be eligible to have payment of the costs of training made under this section, if the worker enters a training program approved by the Secretary not later than 6 months after the date on which the certification that cov-

ers the worker is issued or the Secretary determines that one of the following applied:

"(1) Funding was not available at the time at which the adversely affected worker was required to enter training under paragraph (1).

"(2) The adversely affected worker was covered by a waiver issued under section 235(c).

"(d) EXHAUSTION OF UNEMPLOYMENT INSURANCE NOT REQUIRED.—The Secretary may approve training, and pay the costs thereof, for any adversely affected worker who is a member of a group certified under section 231 at any time after the date on which the group is certified, without regard to whether the worker has exhausted all rights to any unemployment insurance to which the worker is entitled.

"(e) SUPPLEMENTAL ASSISTANCE.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), when training is provided under a training program approved by the Secretary under subsection (a) in facilities that are not within commuting distance of a worker's regular place of residence, the Secretary may authorize supplemental assistance to defray reasonable transportation and subsistence expenses for separate maintenance.

"(2) TRANSPORTATION EXPENSES.—The Secretary may not authorize payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

"(3) SUBSISTENCE EXPENSES.—The Secretary may not authorize payments for subsistence that exceed the lesser of—

"(A) the actual per diem expenses for subsistence of the worker; or

"(B) an amount equal to 50 percent of the prevailing per diem allowance rate authorized under Federal travel regulations.

"(f) SPECIAL PROVISIONS; LIMITATIONS.—

"(1) LIMITATION ON MAKING PAYMENTS.—

"(A) DISALLOWANCE OF OTHER PAYMENT.—If the costs of training an adversely affected worker are paid by the Secretary under subsection (b), no other payment for those training costs may be made under any other provision of Federal law.

"(B) NO PAYMENT OF REIMBURSABLE COSTS.—No payment for the cost of approved training may be made under subsection (b) if those costs—

"(i) have already been paid under any other provision of Federal law; or

"(ii) are reimbursable under any other provision of Federal law and a portion of those costs have already been paid under that other provision of Federal law.

"(C) NO PAYMENT OF COSTS PAID ELSEWHERE.—The Secretary is not required to pay the costs of any training approved under subsection (a) to the extent that those costs are paid under any Federal or State program other than this chapter.

"(D) EXCEPTION.—The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law that are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if the use of those funds has the effect of indirectly paying for or reducing any portion of the costs involved in training the adversely affected worker.

"(2) UNEMPLOYMENT ELIGIBILITY.—A worker may not be determined to be ineligible or disqualified for unemployment insurance or program bene-

fits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not suitable employment to enter the training, or because of the application to any week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

"(3) DEFINITION.—For purposes of this section the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

"(4) PAYMENTS AFTER REEMPLOYMENT.—

"(A) IN GENERAL.—In the case of an adversely affected worker who secures reemployment, the Secretary may approve and pay the costs of training (or shall continue to pay the costs of training previously approved) for that adversely affected worker, for the completion of their training program or up to 26 weeks, whichever is less, after the date the adversely affected worker becomes reemployed.

"(B) TRADE ADJUSTME NT ALLOWANCE .—An adversely affected worker who is reemployed and is undergoing training approved by the Secretary pursuant to subparagraph (A) may continue to receive trade adjustment allowance, subject to the income offsets provided for in the worker's State unemployment compensation law in accordance with the provisions of section 237.

"(5) FUNDING .—The total amount of payments that may be made under this section for any fiscal year shall not exceed $300,000,000.

"SEC. 241. JOB SEARCH ALLOWANCES.

"(a) JOB SEARCH ALLOWANCE AUTHOR IZED .—

"(1) IN GENE RAL .—An adversely affected worker covered by a certification issued under section 231 may file an application with the Secretary for payment of a job search allowance.

"(2) APPROVA L OF APPLICATIONS .—The Secretary may grant an allowance pursuant to an application filed under paragraph (1) when all of the following apply:

"(A) ASSIST ADVER SELY AFFECTE D WORKER .—The allowance is paid to assist an adversely affected worker who has been totally

separated in securing a job within the United States.

"(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

"(C) APPLICATION.—The worker has filed an application for the allowance with the Secretary before—

"(i) the later of—

"(I) the 365th day after the date of the certification under which the worker is certified as eligible; or

"(II) the 365th day after the date of the worker's last total separation; or

"(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

"(b) AMOUNT OF ALLOWANCE.—

"(1) IN GENERAL.—An allowance granted under subsection (a) shall provide reimbursement to the worker of 90 percent of the cost of necessary job

search expenses as prescribed by the Secretary in regulations.

"(A) MAXIMUM ALLOWANCE.—Reimbursement may not exceed $1,200 for any worker.

"(B) ALLOWANCE FOR SUBSISTENCE AND TRANSPORTATION.—Reimbursement may not be made for subsistence and transportation expenses at levels exceeding those allowable under section 240(e).

"(c) EXCEPTION.—Notwithstanding subsection (b), the Secretary shall reimburse any adversely affected worker for necessary expenses incurred by the worker in participating in a job search program approved by the Secretary.

"SEC. 242. RELOCATION ALLOWANCES.

"(a) RELOCATION ALLOWANCE AUTHORIZED.—

"(1) IN GENERAL.—Any adversely affected worker covered by a certification issued under section 231 may file an application for a relocation allowance with the Secretary, and the Secretary may grant the relocation allowance, subject to the terms and conditions of this section.

"(2) CONDITIONS FOR GRANTING ALLOWANCE.—A relocation allowance may be granted if all of the following terms and conditions are met:

"(A) ASSIST AN ADVERSELY AFFECTED WORKER.—The relocation allowance will assist an adversely affected worker in relocating within the United States.

"(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

"(C) TOTAL SEPARATION.—The worker is totally separated from employment at the time relocation commences.

"(D) SUITABLE EMPLOYMENT OBTAINED.—The worker—

"(i) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the worker wishes to relocate; or

"(ii) has obtained a bona fide offer of such employment.

"(E) APPLICATION.—The worker filed an application with the Secretary before—

"(i) the later of—

"(I) the 425th day after the date of the certification under section 231; or

"(II) the 425th day after the date of the worker's last total separation; or

"(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

"(b) AMOUNT OF ALLOWANCE.—The relocation allowance granted to a worker under subsection (a) includes—

"(1) 90 percent of the reasonable and necessary expenses (including, but not limited to, subsistence and transportation expenses at levels not exceeding those allowable under section 240(e)) specified in regulations prescribed by the Secretary, incurred in transporting the worker, the worker's family, and household effects; and

"(2) a lump sum equivalent to 3 times the worker's average weekly wage, up to a maximum payment of $1,500.

"(c) LIMITATIONS.—A relocation allowance may not be granted to a worker unless—

"(1) the relocation occurs within 182 days after the filing of the application for relocation assistance; or

"(2) the relocation occurs within 182 days after the conclusion of training, if the worker entered a training program approved by the Secretary under section 240(a).

"SEC. 243. SUPPORTIVE SERVICES; WAGE INSURANCE.

"(a) SUPPORTIVE SERVICES.—

"(1) APPLICATION.—

"(A) IN GENERAL.—The State may, on behalf of any adversely affected worker or group of workers covered by a certification issued under section 231—

"(i) file an application with the Secretary for services under section 173 of the Workforce Investment Act of 1998 (relating to National Emergency Grants); and

"(ii) provide other services under title I of the Workforce Investment Act of 1998.

"(B) SERVICES.—The services available under this paragraph include transportation, child care, and dependent care that are nec-

essary to enable a worker to participate in activities authorized under this chapter.

"(2) CONDITIONS.—The Secretary may approve an application filed under paragraph (1)(A)(i) and provide supportive services to an adversely affected worker only if the Secretary determines that all of the following apply:

"(A) NECESSITY.—Providing services is necessary to enable the worker to participate in or complete training.

"(B) CONSISTENT WITH WORKFORCE INVESTMENT ACT.—The services are consistent with the supportive services provided to participants under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.).

"(b) WAGE INSURANCE PROGRAM.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a Wage Insurance Program under which a State shall use the funds provided to the State for trade adjustment allowances to pay to an adversely affected worker certified under section 231

a wage subsidy of up to 50 percent of the difference between the wages received by the adversely affected worker from reemployment and the wages received by the adversely affected worker at the time of separation for a period not to exceed 2 years.

"(2) AMOUNT OF PAYMENT.—

"(A) WAGES UNDER $40,000.—If the wages the worker receives from reemployment are less than $40,000 a year, the wage subsidy shall be 50 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

"(B) WAGES BETWEEN $40,000 AND $50,000.—If the wages received by the worker from reemployment are greater than $40,000 a year but less than $50,000 a year, the wage subsidy shall be 25 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

"(2) ELIGIBILITY.—An adversely affected worker may be eligible to receive a wage subsidy under this subsection if the worker—

"(A) enrolls in the Wage Insurance Program;

"(B) obtains reemployment not more than 26 weeks after the date of separation from the adversely affected employment;

"(C) is at least 50 years of age;

"(D) earns not more than $50,000 a year in wages from reemployment;

"(E) is employed at least 30 hours a week in the reemployment; and

"(F) does not return to the employment from which the worker was separated.

"(3) AMOUNT OF PAYMENTS.—The payments made under paragraph (1) to an adversely affected worker may not exceed $10,000 over the 2-year period.

"(4) LIMITATION ON OTHER BENEFITS.—At the time a worker begins to receive a wage subsidy under this subsection the worker shall not be eligible to receive any benefits under this Act other than the wage subsidy unless the Secretary determines, pursuant to standards established by the Secretary, that

the worker has shown circumstances that warrant eligibility for training benefits under section 240.

"(c) STUDIES OF ASSISTANCE AVAILABLE TO ECONOMICALLY DISTRESSED WORKERS.—

"(1) STUDY BY THE GENERAL ACCOUNTING OFFICE.—

"(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of all assistance provided by the Federal Government for workers facing job loss and economic distress.

"(B) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted under subparagraph (A). The report shall include a description of—

"(i) all Federal programs designed to assist workers facing job loss and economic distress, including all benefits and services;

"(ii) eligibility requirements for each of the programs; and

"(iii) procedures for applying for and receiving benefits and services under each of the programs.

"(C) DISTRIBUTION OF GAO REPORT.—The report described in subparagraph (B) shall be distributed to all one-stop partners authorized under the Workforce Investment Act of 1998.

"(2) STUDIES BY THE STATES.—

"(A) IN GENERAL.—Each State may conduct a study of its assistance programs for workers facing job loss and economic distress.

"(B) GRANTS.—The Secretary may award to each State a grant, not to exceed $50,000, to enable the State to conduct the study described in subparagraph (A). Each study shall be undertaken in consultation with affected parties.

"(C) REPORT.—Not later than 1 year after the date of the grant, each State that receives a grant under subparagraph (B) shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the report described in subparagraph (A).

"(D) DISTRIBUTION OF STATE REPORTS.—A report prepared by a State under this paragraph shall be distributed to all the one-stop partners in the State.

"Subchapter D—Payment and Enforcement Provisions

"SEC. 244. PAYMENTS TO STATES.

"(a) IN GENERAL.—The Secretary, from time to time, shall certify to the Secretary of the Treasury for payment to each cooperating State, the sums necessary to enable that State as agent of the United States to make payments provided for by this chapter.

"(b) LIMITATION ON USE OF FUNDS.—

"(1) IN GENERAL.—All money paid to a cooperating State under this section shall be used solely for the purposes for which it is paid.

"(2) RETURN OF FUNDS NOT SO USED.—Money paid that is not used for the purpose under subsection (a) shall be returned, at the time specified in the agreement entered into under section 222, to the Secretary of the Treasury.

"(c) SURETY BOND.—Any agreement under section 222 may require any officer or employee of the cooperating State certifying payments or disbursing funds under the agreement or otherwise participating in the perform-

ance of the agreement, to give a surety bond to the United States in an amount the Secretary deems necessary, and may provide for the payment of the cost of that bond from funds for carrying out the purposes of this chapter.

"SEC. 245. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

"(a) LIABILITY OF CERTIFYING OFFICIALS.—No person designated by the Secretary, or designated pursuant to an agreement entered into under section 222, as a certifying officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment certified by that person under this chapter.

"(b) LIABILITY OF DISBURSING OFFICERS.—No disbursing officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment by that officer under this chapter if the payment was based on a voucher signed by a certifying officer designated according to subsection (a).

"SEC. 246. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) IN GENERAL.—

"(1) OVERPAYMENT.—If a cooperating State, the Secretary, or a court of competent jurisdiction determines that any person has received any payment under this chapter to which the person was not

entitled, including a payment referred to in subsection (b), that person shall be liable to repay that amount to the cooperating State or the Secretary, as the case may be.

"(2) EXCEPTION.—The cooperating State or the Secretary may waive repayment if the cooperating State or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that all of the following apply:

"(A) NO FAULT.—The payment was made without fault on the part of the person.

"(B) REPAYMENT CONTRARY TO EQUITY.—Requiring repayment would be contrary to equity and good conscience.

"(3) PROCEDURE FOR RECOVERY.—

"(A) RECOVERY FROM OTHER ALLOWANCES AUTHORIZED.—Unless an overpayment is otherwise recovered or waived under paragraph (2), the cooperating State or the Secretary shall recover the overpayment by deductions from any sums payable to that person under this chapter, under any Federal unemployment compensation law administered by the cooperating State or the Secretary, or under any other Federal law administered by the co-

operating State or the Secretary that provides for the payment of assistance or an allowance with respect to unemployment.

"(B) RECOVERY FROM STATE ALLOWANCES AUTHORIZED.—Notwithstanding any other provision of Federal or State law, the Secretary may require a cooperating State to recover any overpayment under this chapter by deduction from any unemployment insurance payable to that person under State law, except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

"(b) INELIGIBILITY FOR FURTHER PAYMENTS.—Any person, in addition to any other penalty provided by law, shall be ineligible for any further payments under this chapter if a cooperating State, the Secretary, or a court of competent jurisdiction determines that one of the following applies:

"(1) FALSE STATEMENT.—The person knowingly made, or caused another to make, a false statement or representation of a material fact, and as a result of the false statement or representation, the person received any payment under this chapter to which the person was not entitled.

"(2) FAILURE TO DISCLOSE.—The person knowingly failed, or caused another to fail, to disclose a material fact, and as a result of the nondisclosure, the person received any payment under this chapter to which the person was not entitled.

"(c) HEARING.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a) by the cooperating State or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing has been given to the person concerned, and the determination has become final.

"(d) RECOVERED FUNDS.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"SEC. 247. CRIMINAL PENALTIES.

"Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for that person or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 222 shall be fined not more than $10,000, imprisoned for not more than 1 year, or both.

"SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Labor, for the period beginning October 1, 2001, and ending September 30, 2006, such sums as may be necessary to carry out the purposes of this chapter. Amounts appropriated under this section shall remain available until expended.

"SEC. 249. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

"SEC. 250. SUBPOENA POWER.

"(a) IN GENERAL.—The Secretary may require by subpoena the attendance of witnesses and the production of evidence necessary to make a determination under the provisions of this chapter.

"(b) COURT ORDER.—If a person refuses to obey a subpoena issued under subsection (a), a competent United States district court, upon petition by the Secretary, may issue an order requiring compliance with such subpoena.".

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. REAUTHORIZATION OF PROGRAM.

(a) IN GENERAL.—Section 256(b) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended to read as follows:

"(b) There are authorized to be appropriated to the Secretary $16,000,000 for each of fiscal years 2002 through 2006, to carry out the Secretary's functions under this chapter in connection with furnishing adjustment assistance to firms. Amounts appropriated under this subsection shall remain available until expended.".

(b) ELIGIBILITY CRITERIA.—Section 251(c) of Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341(c)(1)) is amended—

(1) in paragraph (1), by striking subparagraphs (B) and (C) and inserting the following:

"(B) increases in value or volume of imports of articles like or directly competitive with articles which are produced by such firm contributed importantly to such total or partial separation, or threat thereof, or

"(C) a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision contributed importantly to the workers' separation or threat of separation."; and

(2) in paragraph (2), by striking "paragraph (1)(C)" and inserting "subparagraphs (B) and (C) of paragraph (1)".

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

SEC. 301. PURPOSE.

The purpose of this title is to assist communities with economic adjustment through the integration of political and economic organizations, the coordination of Federal, State, and local resources, the creation of community-based development strategies, and the provision of economic transition assistance.

SEC. 302. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

"CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

"SEC. 271. DEFINITIONS.

"In this chapter:

"(1) CIVILIAN LABOR FORCE.—The term 'civilian labor force' has the meaning given that term in regulations prescribed by the Secretary of Labor.

"(2) COMMUNITY .—The term 'community' means a county or equivalent political subdivision of a State.

"(A) RURAL COMMUNITY .—The term 'rural community' means a community that has a rural-urban continuum code of 4 through 9.

"(B) URBAN COMMUNITY .—The term 'urban community' means a community that has a rural-urban continuum code of 0 through 3.

"(3) COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.—The term 'Community Economic Development Coordinating Committee' or 'Committee' means a community group established under section 274 that consists of major groups significantly affected by an increase in imports or a shift in production, including local, regional, tribal, and State governments, regional councils of governments and economic development, and business, labor, education, health, religious, and other community-based organizations.

"(4) DIRECTOR.—The term 'Director' means the Director of the Office of Community Trade Adjustment.

"(5) ELIGIBLE COMMUNITY .—The term 'eligible community' means a community certified under section 273 as eligible for assistance under this chapter.

"(6) JOB LOSS.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 221.

"(7) OFFICE.—The term 'Office' means the Office of Community Trade Adjustment established under section 272.

"(8) RURAL-URBAN CONTINUUM CODE.—The term 'rural-urban continuum code' means a code assigned to a community according to the rural-urban continuum code system, as defined by the Economic Research Service of the Department of Agriculture.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"SEC. 272. OFFICE OF COMMUNITY TRADE ADJUSTMENT.

"(a) ESTABLISHMENT.—Within 6 months of the date of enactment of the Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001, there shall be established in the Economic Development Administration of the Department of Commerce an Office of Community Trade Adjustment.

"(b) PERSONNEL.—The Office shall be headed by a Director, and such staff as may be necessary to carry out the responsibilities described in this chapter.

"(c) COORDINATION OF FEDERAL RESPONSE.—The Office shall—

"(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

"(2) establish an easily accessible, one-stop clearinghouse for States and eligible communities to obtain information regarding economic development assistance available under Federal law;

"(3) coordinate the Federal response to an eligible community—

"(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

"(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

"(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning community economic adjustment;

"(D) by identifying and strengthening existing agency mechanisms designed to assist

communities in economic adjustment and workforce reemployment;

"(E) by applying consistent policies, practices, and procedures in the administration of Federal programs that are used to assist communities adversely impacted by an increase in imports or a shift in production;

"(F) by creating, maintaining, and using a uniform economic database to analyze community adjustment activities; and

"(G) by assigning a community economic adjustment advisor to work with each eligible community;

"(4) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

"(A) identify serious economic problems in the community that result from an increase in imports or shift in production;

"(B) integrate the major groups and organizations significantly affected by the economic adjustment;

"(C) organize a Community Economic Development Coordinating Committee;

"(D) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

"(E) diversify and strengthen the community economy; and

"(F) develop a community-based strategic plan to address workforce dislocation and economic development;

"(5) establish specific criteria for submission and evaluation of a strategic plan submitted under section 276(d);

"(6) administer the grant programs established under sections 276 and 277; and

"(7) establish an interagency Trade Adjustment Assistance Working Group, consisting of the representatives of any Federal department or agency with responsibility for economic adjustment assistance, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the Department of Commerce, the Office of the United States Trade Representative, and the National Eco-

nomic Council. The working group shall examine other options for addressing trade impacts on communities, such as:

"(A) Seeking legislative language directing the Foreign Trade Zone ('FTZ') Board to expedite consideration of FTZ applications from communities or businesses that have been found eligible for trade adjustment assistance.

"(B) Seeking legislative language to make new markets tax credits available in communities impacted by trade.

"(C) Seeking legislative language to make work opportunity tax credits available for hiring unemployed workers who are certified eligible for trade adjustment assistance.

"(D) Examining ways to assist trade impacted rural communities and industries take advantage of the Department of Agriculture's rural development program.

"SEC. 273. NOTIFICATION AND CERTIFICATION AS AN ELIGIBLE COMMUNITY.

"(a) NOTIFICATION.—The Secretary of Labor, not later than 15 days after making a determination that a group of workers is eligible for trade adjustment assistance under section 231, shall notify the Governor of the

State in which the community in which the worker's firm is located and the Director, of the Secretary's determination.

"(b) CERTIFICATION.—Not later than 30 days after notification by the Secretary of Labor described in subsection (a), the Director shall certify as eligible for assistance under this chapter a community in which 1 of the following conditions apply:

"(1) NUMBER OF JOB LOSSES.—The Director shall certify that a community is eligible for assistance under this chapter if—

"(A) in an urban community, at least 500 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available; or

"(B) in a rural community, at least 300 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available.

"(2) PERCENT OF WORKFORCE UNEMPLOYED.—The Director shall certify that a community is eligible for assistance under this chapter if the unemployment rate for the community is at least

1 percent greater than the national unemployment rate for the most recent 12-month period for which data are available.

"(c) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Not later than 15 days after the Director certifies a community as eligible under subsection (b), the Director shall notify the community—

"(1) of its determination under subsection (b);

"(2) of the provisions of this chapter;

"(3) how to access the clearinghouse established under section 272(c)(2); and

"(4) how to obtain technical assistance provided under section 272(c)(4).

"SEC. 274. COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.

"(a) ESTABLISHMENT.—In order to apply for and receive benefits under this chapter, an eligible community shall establish a Community Economic Development Coordinating Committee certified by the Director as meeting the requirements of subsection (b)(1).

"(b) COMPOSITION OF THE COMMITTEE.—

"(1) LOCAL PARTICIPATION.—The Community Economic Development Coordinating Committee established by an eligible community under subsection (a) shall include representatives of those groups sig-

nificantly affected by economic dislocation, such as local, regional, tribal, and State governments, regional councils of governments and economic development, business, labor, education, health organizations, religious, and other community-based groups providing assistance to workers, their families, and communities.

"(2) FEDERAL PARTICIPATION.—Pursuant to section 275(b)(3), the community economic adjustment advisor, assigned by the Director to assist an eligible community, shall serve as an ex officio member of the Community Economic Development Coordinating Committee, and shall arrange for participation by representatives of other Federal agencies on that Committee as necessary.

"(3) EXISTING ORGANIZATION.—An eligible community may designate an existing organization in that community as the Community Economic Development Coordinating Committee if that organization meets the requirements of paragraph (1) for the purposes of this chapter.

"(c) DUTIES.—The Community Economic Development Coordinating Committee shall—

"(1) ascertain the severity of the community economic adjustment required as a result of the increase in imports or shift in production;

"(2) assess the capacity of the community to respond to the required economic adjustment and the needs of the community as it undertakes economic adjustment, taking into consideration such factors as the number of jobs lost, the size of the community, the diversity of industries, the skills of the labor force, the condition of the current labor market, the availability of financial resources, the quality and availability of educational facilities, the adequacy and availability of public services, and the existence of a basic and advanced infrastructure in the community;

"(3) facilitate a dialogue between concerned interests in the community, represent the impacted community, and ensure all interests in the community work collaboratively toward collective goals without duplication of effort or resources;

"(4) oversee the development of a strategic plan for community economic development, taking into consideration the factors mentioned under paragraph (2), and consistent with the criteria estab-

lished by the Secretary for the strategic plan developed under section 276;

"(5) create an executive council of members of the Community Economic Development Coordinating Committee to promote the strategic plan within the community and ensure coordination and cooperation among all stakeholders; and

"(6) apply for any grant, loan, or loan guarantee available under Federal law to develop or implement the strategic plan, and be an eligible recipient for funding for economic adjustment for that community.

"SEC. 275. COMMUNITY ECONOMIC ADJUSTMENT ADVISORS.

"(a) IN GENERAL.—Pursuant to section 272(c)(3)(G), the Director shall assign a community economic adjustment advisor to each eligible community.

"(b) DUTIES.—The community economic adjustment advisor shall—

"(1) provide technical assistance to the eligible community, assist in the development and implementation of a strategic plan, including applying for any grant available under this or any other Federal law to develop or implement that plan;

"(2) at the local and regional level, coordinate the response of all Federal agencies offering assistance to the eligible community;

"(3) serve as an ex officio member of the Community Economic Development Coordinating Committee established by an eligible community under section 274;

"(4) act as liaison between the Community Economic Development Coordinating Committee established by the eligible community and all other Federal agencies that offer assistance to eligible communities, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the National Economic Council, and other offices or agencies of the Department of Commerce;

"(5) report regularly to the Director regarding the progress of development activities in the community to which the community economic adjustment advisor is assigned; and

"(6) perform other duties as directed by the Secretary or the Director.

"SEC. 276. STRATEGIC PLANS.

"(a) IN GENERAL.—With the assistance of the community economic adjustment advisor, an eligible community may develop a strategic plan for community economic adjustment and diversification.

"(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

"(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used, the anticipated management structure of the Community Economic Development Coordinating Committee, and the commitment of the community to the strategic plan over the long term.

"(2) A description of, and a plan to accomplish, the projects to be undertaken by the eligible community.

"(3) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

"(4) A description of any alternative development plans that were considered, particularly less costly alternatives, and why those plans were rejected in favor of the proposed plan.

"(5) A description of any additional steps the eligible community will take to achieve economic adjustment and diversification, including how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

"(6) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

"(7) A description of the occupational and workforce conditions in the eligible community, including but not limited to existing levels of workforce skills and competencies, and educational programs available for workforce training and future employment needs.

"(8) A description of how the plan will adapt to changing markets, business cycles, and other variables.

"(9) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

"(c) GRANTS TO DEVELOP STRATEGIC PLANS.—

"(1) IN GENERAL.—The Director, upon receipt of an application from a Community Economic Development Coordinating Committee on behalf of an

eligible community, shall award a grant to that community to be used to develop the strategic plan.

"(2) AMOUNT.—The amount of a grant made under paragraph (1) shall be determined by the Secretary, but may not exceed $50,000 to each community.

"(3) LIMIT.—Each community can only receive 1 grant for the purpose of developing a strategic plan in any 5-year period.

"(d) SUBMISSION OF PLAN.—The strategic plan created under subsection (a) shall be submitted to the Director for evaluation and approval.

"SEC. 277. GRANTS FOR ECONOMIC DEVELOPMENT.

"The Director, upon receipt of an application from the Community Economic Development Coordinating Committee on behalf of an eligible community, may award a grant to that community to carry out any project or program included in the strategic plan approved under section 276(d) that—

"(1) will be located in, or will create or preserve high-wage jobs, in that eligible community; and

"(2) implements the strategy of that eligible community to create high-wage jobs in sectors that are expected to expand, including projects that—

"(A) encourage industries to locate in that eligible community, if such funds are not used to encourage the relocation of any employer in a manner that causes the dislocation of employees of that employer at another facility in the United States;

"(B) leverage resources to create or improve Internet or telecommunications capabilities to make the community more attractive for business;

"(C) establish a funding pool for job creation through entrepreneurial activities;

"(D) assist existing firms in that community to restructure or retool to become more competitive in world markets and prevent job loss; or

"(E) assist the community in acquiring the resources and providing the level of public services necessary to meet the objectives set out in the strategic plan.

"SEC. 278. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Commerce, for the period beginning October 1, 2001, and ending September 30, 2006, such sums as

may be necessary to carry out the purposes of this chapter.

"SEC. 279. GENERAL PROVISIONS.

"(a) REPORT BY THE DIRECTOR.—Not later than 6 months after the date of enactment of this Act and annually thereafter, the Director shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report regarding the programs established under this title.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter.".

"(c) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.".

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 401. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

"SEC. 291. DEFINITIONS.

"In this chapter:

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity (including livestock), except fish as defined in section 299(1) of this Act, in its raw or natural state.

"(2) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' means any person who is engaged in the production and sale of an agricultural commodity in the United States and who owns or shares the ownership and risk of loss of the agricultural commodity, except any person included within section 299(2) of this Act.

"(3) CONTRIBUTED IMPORTANTLY.—

"(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive

with an agricultural commodity with respect to which the petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary of Agriculture.

"(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of agricultural commodity producers.

"(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary of Agriculture.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 292. PETITIONS; GROUP ELIGIBILITY.

"(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

"(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

"(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

"(2) that increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity,

produced by the group contributed importantly to the decline in price described in paragraph (1).

"(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

"(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

"(2) the requirements of subsection (c)(2) are met.

"(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

"(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

"(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

"SEC. 293. DETERMINATIONS BY SECRETARY OF AGRICULTURE.

"(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 292, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292 (c) or (d), as the case may be and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meet the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

"(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

"(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

"SEC. 294. STUDY BY SECRETARY OF AGRICULTURE WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

"(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

"(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

"(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

"(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study under subsection (a). Upon making his report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

"SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

"(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

"(b) NOTICE OF BENEFITS.—

"(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

"(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

"(3) OTHER FEDERAL ASSISTANCE.—The Secretary shall also provide information concerning procedures for applying for and receiving all other Federal assistance and services available to workers facing economic distress.

"SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

"(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligi-

bility under section 293, if the following conditions are met:

"(1) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

"(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

"(3) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

"(4) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

"(A) information regarding the feasibility and desirability of substituting 1 or more alter-

native commodities for the adversely affected agricultural commodity; and

"(B) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

"(b) AMOUNT OF CASH BENEFITS.—

"(1) IN GENERAL.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

"(A) one-half of the difference between—

"(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

"(ii) the national average price of the agricultural commodity for the most recent marketing year, and

"(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

"(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

"(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

"(d) LIMITATIONS ON OTHER ASSISTANCE.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

"(1) shall not be eligible for any other cash benefit under this title, and

"(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

"SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) IN GENERAL.—

"(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

"(A) the payment was made without fault on the part of such person; and

"(B) requiring such repayment would be contrary to equity and good conscience.

"(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

"(b) FALSE STATEMENTS.—If the Secretary, or a court of competent jurisdiction, determines that a person—

"(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

"(2) knowingly has failed, or caused another to fail, to disclose a material fact,

and, as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled, such person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter.

"(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

"(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall

be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture not to exceed $90,000,000 for each of the fiscal years 2002 through 2006 to carry out the purposes of this chapter.

"(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.".

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

SEC. 501. SHORT TITLE.

This title may be cited as the "Trade Adjustment Assistance for Fishermen Act".

SEC. 502. TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), as amended by title IV of this

Act, is amended by adding at the end the following new chapter:

"CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

"SEC. 299. DEFINITIONS.

"In this chapter:

"(1) COMMERCIAL FISHING, FISH, FISHERY, FISHING, FISHING VESSEL, PERSON, AND UNITED STATES FISH PROCESSOR.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as specified in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

"(2) PRODUCER.—The term 'producer' means any person engaged in commercial fishing or United States fish processor.

"(3) CONTRIBUTED IMPORTANTLY.—

"(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive

with a fish caught through commercial fishing or processed by a United States fish processor with respect to which the petition under this chapter was filed contributed importantly to a decline in the price of the fish shall be made by the Secretary of Commerce.

"(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of producers.

"(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to a producer for fish in a marketing year as determined by the Secretary of Commerce.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(7) TRADE ADJUSTMENT ASSISTANCE CENTER.—The term 'Trade Adjustment Assistance Center' shall have the same meaning as in section 253 of chapter 3 of title II of the Trade Act of 1974.

"SEC. 299A. PETITIONS; GROUP ELIGIBILITY.

"(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly pub-

lish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

"(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

"(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(1) that the national average price for the fish, or a class of fish, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such fish, or such class of fish, for the 5 marketing years preceding the most recent marketing year; and

"(2) that increases in imports of articles like or directly competitive with the fish, or class of fish, produced by the group contributed importantly to the decline in price described in paragraph (1).

"(d) SPECIAL RULE FOR QUALIFIED SUBSEQU ENT YEARS.—A group of producers certified as eligible under section 299B shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

"(1) the national average price for the fish, or class of fish, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

"(2) the requirements of subsection (c)(2) are met.

"(e) DETE RMINATION OF QUALIFIED YEAR AND COMMOD ITY.—In this chapter:

"(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of producers certified as eligible under section 299B, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

"(2) CLASSE S OF GOODS WITHIN A COMMODI TY.—In any case in which there are separate classes of fish, the Secretary shall treat each class as a separate commodity in determining group eligi-

bility, the national average price, and level of imports under this section and section 299E.

"SEC. 299B. DETERMINATIONS BY SECRETARY.

"(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 299A, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 299A (c) or (d), as the case may be and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering producers in any group that meet the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

"(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

"(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the fish covered by the certification is no longer attributable to the conditions described in section 299A, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the

Federal Register, together with the Secretary's reasons for making such determination.

"SEC. 299C. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

"(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to a fish, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

"(1) the number of producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

"(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

"(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study under subsection (a). Upon making his report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to

be confidential) and shall have a summary of it published in the Federal Register.

"SEC. 299D. BENEFIT INFORMATION TO PRODUCERS.

"(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

"(b) NOTICE OF BENEFITS.—

"(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each producer that the Secretary has reason to believe is covered by a certification made under this chapter.

"(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

"SEC. 299E. QUALIFYING REQUIREMENTS FOR PRODUCERS.

"(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 299B, if the following conditions are met:

"(1) The producer submits to the Secretary sufficient information to establish the amount of fish covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

"(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

"(3) The producer's net fishing or processing income (as determined by the Secretary) for the most recent year is less than the producer's net fishing or processing income for the latest year in which no adjustment assistance was received by the producer under this chapter.

"(4) The producer certifies that—

"(A) the producer has met with an employee or agent from a Trade Adjustment Assistance Center to obtain, at no cost to the pro-

ducer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected fish, including—

"(i) information regarding the feasibility and desirability of substituting 1 or more alternative fish for the adversely affected fish; and

"(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected fish by the producer, including yield and marketing improvements; and

"(B) none of the benefits will be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise add to the overcapitalization of any fishery.

"(b) AMOUNT OF CASH BENEFITS.—

"(1) IN GENERAL.—Subject to the provisions of section 299G, an adversely affected producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

"(A) one-half of the difference between—

"(i) an amount equal to 80 percent of the average of the national average price of the fish covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year; and

"(ii) the national average price of the fish for the most recent marketing year; and

"(B) the amount of the fish produced by the producer in the most recent marketing year.

"(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the fish shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification. A producer shall only be eligible for benefits for subsequent qualified years if the Secretary or his designee determines that sufficient progress has been made implementing the plans developed under section 299E(a)(4) of this title.

"(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits a producer may receive in any 12-month period shall not exceed $10,000.

"(d) LIMITATIONS ON OTHER ASSISTANCE.—A producer entitled to receive a cash benefit under this chapter—

"(1) shall not be eligible for any other cash benefit under this title, and

"(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

"SEC. 299F. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) IN GENERAL.—

"(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

"(A) the payment was made without fault on the part of such person; and

"(B) requiring such repayment would be contrary to equity and good conscience.

"(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

"(b) FALSE STATEMENTS.—If the Secretary, or a court of competent jurisdiction, determines that a person—

"(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

"(2) knowingly has failed, or caused another to fail, to disclose a material fact,

and, as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled, such person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter.

"(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair

hearing thereon has been given to the person concerned, and the determination has become final.

"(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 299G. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Commerce not to exceed $10,000,000 for each of the fiscal years 2002 through 2006 to carry out the purposes of this chapter.

"(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.".

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE VI—HEALTH INSURANCE COVERAGE OPTIONS FOR INDIVIDUALS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

SEC. 601. PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE FOR INDIVIDUALS AND THEIR FAMILIES.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which 75 percent of the premium for COBRA continuation coverage shall be provided for an eligible individual who is also eligible for COBRA continuation coverage.

(b) LIMITATION OF PERIOD OF PREMIUM ASSISTANCE.—Premium assistance provided in accordance with this section shall end with respect to an eligible individual on the earlier of—

(1) the date the eligible individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the eligible individual is first enrolled in the premium assistance program established under this section.

(c) PAYMENT ARRANGEMENTS; CREDITING OF ASSISTANCE.—

(1) PROVISION OF ASSISTANCE.—Premium assistance shall be provided under the program established under this section through direct payment arrangements with a group health plan (including a multiemployer plan), an issuer of health insurance coverage, an administrator, or an employer as appropriate with respect to the eligible individual provided such assistance.

(2) PREMIUMS PAYABLE BY INDIVIDUAL REDUCED BY AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be credited by the group health plan, issuer of health insurance coverage, or an administrator against the premium otherwise owed by the individual involved for COBRA continuation coverage.

(d) PROGRAM REQUIREMENTS.—Premium assistance shall be provided under the program established under this section to any eligible individual (as defined in section 604(4)). An eligible individual may apply for such assistance at any time during the period in which the individual

is entitled to apply for trade adjustment allowances under section 235 of title II of the Trade Act of 1974.

(e) DISREGARD OF SUBSIDIES FOR PURPOSES OF FEDERAL AND STATE PROGRAMS.—Notwithstanding any other provision of law, any premium assistance provided to, or on behalf of, an eligible individual under this section, shall not be considered income or resources in determining eligibility for, or the amount of assistance or benefits provided under, any other Federal public benefit or State or local public benefit.

(f) CHANGE IN COBRA NOTICE.—

(1) GENERAL NOTICE.—

(A) IN GENERAL.—In the case of notices provided under section 4980B(f)(6) of the Internal Revenue Code of 1986, section 2206 of the Public Health Service Act (42 U.S.C. 300bb–6), section 606 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1166), or section 8905a(f)(2)(A) of title 5, United States Code, with respect to eligible individuals who become entitled to elect COBRA continuation coverage under subsection (a), such notices shall include an additional notification to the recipient of the availability of premium assistance for such coverage under this

section and for temporary medicaid assistance under section 602 for the remaining portion of COBRA continuation premiums.

(B) ALTERNATIVE NOTICE.—In the case of COBRA continuation coverage to which the notice provision under such sections does not apply, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall, in coordination with administrators of the group health plans (or other entities) that provide or administer the COBRA continuation coverage involved, assure the provision of such notice.

(C) FORM.—The requirement of the additional notification under this paragraph may be met by amendment of existing notice forms or by inclusion of a separate document with the notice otherwise required.

(2) SPECIFIC REQUIREMENTS.—Each additional notification under paragraph (1) shall include—

(A) the forms necessary for establishing eligibility and enrollment in the premium assistance program established under this section in connection with the coverage with respect to each eligible individual;

(B) the name, address, and telephone number necessary to contact the administrator and any other person maintaining relevant information in connection with the premium assistance; and

(C) the following statement displayed in a prominent manner:

"You may be eligible to receive assistance with payment of 75 percent of your COBRA continuation coverage premiums and with temporary medicaid coverage for the remaining premium portion for a duration of not to exceed 12 months.".

(3) MODEL NOTICES.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Treasury shall prescribe models for the additional notification required under this subsection.

(g) REPORTS.—Beginning on January 1, 2002, and annually thereafter, the Secretary of the Treasury shall submit a report to Congress regarding the premium assistance program established under this section that includes the following:

(1) The status of the implementation of the program.

(2) The number of eligible individuals provided assistance under the program as of the date of the report.

(3) The average dollar amount (monthly and annually) of the premium assistance provided under the program.

(4) The total amount of expenditures incurred (with administrative expenditures noted separately) under the program as of the date of the report.

(h) APPROPRIATION.—

(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, such sums as are necessary for each of fiscal years 2002 through 2006.

(2) OBLIGATION OF FUNDS.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment of premium assistance under this section.

SEC. 602. STATE OPTION TO PROVIDE TEMPORARY MEDICAID COVERAGE FOR CERTAIN UNINSURED INDIVIDUALS.

(a) STATE OPTION.—Notwithstanding any other provision of law, a State may elect to provide under its med-

icaid program under title XIX of the Social Security Act medical assistance in the case of an individual who is—

(1) an eligible individual as defined in section 604(4);

(2) not eligible for COBRA continuation coverage;

(3) otherwise uninsured; and

(4) whose assets, resources, and earned or unearned income (or both) do not exceed such limitations (if any) as the State may establish.

(b) LIMITATION OF PERIOD OF COVERAGE.—Medical assistance provided in accordance with this section shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer uninsured; or

(2) subject to subsection (c)(4), 12 months after the date the individual first receives such assistance.

(c) SPECIAL RULES.—In the case of medical assistance provided under this section—

(1) the Federal medical assistance percentage under section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) shall be the enhanced FMAP (as defined in section 2105(b) of such Act (42 U.S.C. 1397ee(b)));

(2) a State may elect to apply any income, asset, or resource limitation permitted under the State medicaid plan or under title XIX of such Act;

(3) the provisions of section 1916(g) of the Social Security Act (42 U.S.C. 1396o) shall apply to the provision of such assistance in the same manner as the provisions of such section apply with respect to individuals provided medical assistance only under subclause (XV) or (XVI) of section 1902(a)(10)(A)(ii) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii));

(4) a State may elect to provide such assistance in accordance with section 1902(a)(34) of the Social Security Act (42 U.S.C. 1396a(a)(34)) and any assistance provided with respect to a month described in that section shall not be included in the determination of the 12-month period under subsection (b)(2);

(5) a State may elect to make eligible for such medical assistance a dependent spouse or children of an individual eligible for medical assistance under subsection (a), if such spouse or children are uninsured;

(6) individuals eligible for medical assistance under this section shall be deemed to be described

in the list of individuals described in the matter preceding paragraph (1) of section 1905(a) of such Act (42 U.S.C. 1396d(a));

(7) a State may elect to provide such medical assistance without regard to any limitation under sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b), 1613, and 1631) and no debt shall accrue under an affidavit of support against any sponsor of an individual who is an alien who is provided such assistance, and the cost of such assistance shall not be considered as an unreimbursed cost; and

(8) the Secretary of Health and Human Services shall not count, for purposes of section 1108(f) of the Social Security Act (42 U.S.C. 1308(f)), such amount of payments under this section as bears a reasonable relationship to the average national proportion of payments made under this section for the 50 States and the District of Columbia to the payments otherwise made under title XIX for such States and District.

SEC. 603. STATE OPTION TO PROVIDE TEMPORARY COVERAGE UNDER MEDICAID FOR THE UNSUBSIDIZED PORTION OF COBRA CONTINUATION PREMIUMS.

(a) STATE OPTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State may elect to provide under its medicaid program under title XIX of the Social Security Act medical assistance in the form of payment for the portion of the premium for COBRA continuation coverage for which an eligible individual does not receive a subsidy under the premium assistance program established under section 601 in the case of an eligible individual—

(A) who is also eligible for, and has elected coverage under, COBRA continuation coverage;

(B) who is receiving premium assistance under the program established under section 601; and

(C) whose family income does not exceed 200 percent of the poverty line.

(b) LIMITATION OF PERIOD OF COVERAGE.—Medical assistance provided in accordance with this section shall end with respect to an individual on the earlier of—

(1) the date the eligible individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the eligible individual first receives such assistance under this section.

(c) SPECIAL RULES.—In the case of medical assistance provided under this section—

(1) such assistance may be provided without regard to—

(A) whether the State otherwise has elected to make medical assistance available for COBRA premiums under section 1902(a)(10)(F) of the Social Security Act (42 U.S.C. 1396a(a)(10)(F)); or

(B) the conditions otherwise imposed for the provision of medical assistance for such COBRA premiums under clause (XII) of the matter following section 1902(a)(10)(G) of the Social Security Act (42 U.S.C. 1396a(a)(10)(G)), or paragraphs (1)(B), (1)(C), (1)(D), and (4) of section 1902(u) of such Act (42 U.S.C. 1396a(u)); and

(2) paragraphs (1), (2), (4), (5), (7), and (8) of subsection (c) of section 602 apply to such assistance in the same manner as such paragraphs apply to the provision of medical assistance under that section.

SEC. 604. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "administrator" has the meaning given that term in section 3(16)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(16)(A)).

(2) COBRA CONTINUATION COVERAGE.—

(A) IN GENERAL.—The term "COBRA continuation coverage" means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

(B) APPLICATION IN STATES REQUIRING COVERAGE.—Such term includes continuation coverage provided in a State that has enacted a law that requires such continuation coverage even though the continuation coverage would not otherwise be required under the provisions of law referred to in subparagraph (A).

(3) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term "eligible individual" means any individual who is a member of a group of work-

ers certified as eligible to apply for adjustment assistance under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 221, et seq.).

(4) FEDERAL PUBLIC BENEFIT.—The term "Federal public benefit" has the meaning given that term in section 401(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)).

(5) GROUP HEALTH PLAN.—The term "group health plan" has the meaning given that term in section 2791(a) of the Public Health Service Act (42 U.S.C. 300gg–91(a)), section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1)), and section 4980B(g)(2) of the Internal Revenue Code of 1986.

(6) HEALTH INSURANCE COVERAGE.—The term "health insurance coverage" has the meaning given that term in section 2791(b)(1) of the Public Health Service Act (42 U.S.C. 300gg–91(b)(1)).

(7) MULTIEMPLOYER PLAN.—The term "multiemployer plan" has the meaning given that term in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)).

(8) POVERTY LINE.—The term "poverty line" has the meaning given that term in section

2110(c)(5) of the Social Security Act (42 U.S.C. 1397jj(c)(5)).

(9) STATE.—The term "State" has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(10) STATE OR LOCAL PUBLIC BENEFIT.—The term "State or local public benefit" has the meaning given that term in section 411(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)).

(11) UNINSURED.—

(A) IN GENERAL.—The term "uninsured" means, with respect to an individual, that the individual is not covered under—

(i) a group health plan;

(ii) health insurance coverage; or

(iii) a program under title XVIII, XIX, or XXI of the Social Security Act (other than under such title XIX pursuant to section 602).

(B) EXCLUSION.—Such coverage under clause (i) or (ii) shall not include coverage consisting solely of coverage of excepted benefits (as defined in section 2791(c) of the Public Health Service Act (42 U.S.C. 300gg–91(c)).

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 701. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO THE TRADE ACT OF 1974.—

(1) ASSISTANCE TO INDUSTRIES.—Section 265 of the Trade Act of 1974 (19 U.S.C. 2355) is amended by striking "certified as eligible to apply for adjustment assistance under sections 231 or 251", and inserting "certified as eligible for trade adjustment assistance benefits under section 231, or as eligible to apply for adjustment assistance under section 251".

(2) GENERAL ACCOUNTING OFFICE REPORT.—Section 280(a) of the Trade Act of 1974 is amended by striking "January 31, 1980" and inserting "January 31, 2004".

(3) JUDICIAL REVIEW.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking "under section 223 or section 250(c)" and all that follows through "the Secretary of Commerce under section 271" and inserting "under section 231, a firm or its representative, or any other interested domestic party aggrieved by a final determination of the Secretary of Commerce under sec-

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 701. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO THE TRADE ACT OF 1974.—

(1) ASSISTANCE TO INDUSTRIES.—Section 265 of the Trade Act of 1974 (19 U.S.C. 2355) is amended by striking "certified as eligible to apply for adjustment assistance under sections 231 or 251", and inserting "certified as eligible for trade adjustment assistance benefits under section 231, or as eligible to apply for adjustment assistance under section 251".

(2) GENERAL ACCOUNTING OFFICE REPORT.—Section 280(a) of the Trade Act of 1974 is amended by striking "January 31, 1980" and inserting "January 31, 2004".

(3) JUDICIAL REVIEW.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking "under section 223 or section 250(c)" and all that follows through "the Secretary of Commerce under section 271" and inserting "under section 231, a firm or its representative, or any other interested domestic party aggrieved by a final determination of the Secretary of Commerce under sec-

tion 251, a farmer aggrieved by a determination of the Secretary of Agriculture under section 292, a fisherman aggrieved by a determination of the Secretary of Commerce under section 229A, or a community or any other interested domestic party aggrieved by a final determination of the Director of the Office of Community Trade Adjustment under section 273".

(4) TERMINATION.—Section 285 of the Trade Act of 1974 is amended to read as follows:

"SEC. 285. TERMINATION.

"(a) ASSISTANCE FOR WORKERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), trade adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 2 after September 30, 2006.

"(2) EXCEPTION.—Notwithstanding subsection (a)(1), a worker shall continue to receive trade adjustment assistance benefits and other benefits under chapter 2 for any week for which the worker meets the eligibility requirements of that chapter, if on or before September 30, 2006, the worker is—

"(A) certified as eligible for trade adjustment assistance benefits under section 231; and

"(B) is otherwise eligible to receive trade adjustment assistance benefits under chapter 2.

"(b) OTHER ASSISTANCE.—

"(1) ASSISTANCE FOR FIRMS.—Technical assistance may not be provided under chapter 3 after September 30, 2006.

"(2) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2006.".

(5) TABLE OF CONTENTS.—

(A) IN GENERAL.—The table of contents for chapters 2, 3, and 4 of title II of the Trade Act of 1974 is amended to read as follows:

"CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

"SUBCHAPTER A—GENERAL PROVISIONS

"Sec. 221. Definitions.
"Sec. 222. Agreements with States.
"Sec. 223. Administration absent State agreement.
"Sec. 224. Data collection; evaluations; reports.
"Sec. 225. Study by Secretary of Labor when International Trade Commission begins investigation.

"SUBCHAPTER B—CERTIFICATIONS

"Sec. 231. Certification as adversely affected workers.
"Sec. 232. Benefit information to workers.

"SUBCHAPTER C—PROGRAM BENEFITS

"PART I—GENERAL PROVISIONS

"Sec. 234. Comprehensive assistance.

"PART II—TRADE ADJUSTMENT ALLOWANCES

"Sec. 235. Qualifying requirements for workers.
"Sec. 236. Weekly amounts.
"Sec. 237. Limitations on trade adjustment allowances.
"Sec. 238. Application of State laws.

"PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

"Sec. 239. Employment services.
"Sec. 240. Training.
"Sec. 241. Job search allowances.
"Sec. 242. Relocation allowances.
"Sec. 243. Supportive services.

"SUBCHAPTER D—PAYMENT AND ENFORCEMENT PROVISIONS

"Sec. 244. Payments to States.
"Sec. 245. Liabilities of certifying and disbursing officers.
"Sec. 246. Fraud and recovery of overpayments.
"Sec. 247. Criminal penalties.
"Sec. 248. Authorization of appropriations.
"Sec. 249. Regulations.
"Sec. 250. Subpoena power.

"CHAPTER 3—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

"Sec. 251. Petitions and determinations.
"Sec. 252. Approval of adjustment proposals.
"Sec. 253. Technical assistance.
"Sec. 254. Financial assistance.
"Sec. 255. Conditions for financial assistance.
"Sec. 256. Delegation of functions to Small Business Administration; authorization of appropriations.
"Sec. 257. Administration of financial assistance.
"Sec. 258. Protective provisions.
"Sec. 259. Penalties.
"Sec. 260. Suits.
"Sec. 261. Definition of firm.
"Sec. 262. Regulations.
"Sec. 264. Study by Secretary of Commerce when International Trade Commission begins investigation; action where there is affirmative finding.
"Sec. 265. Assistance to industries.

"CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

"Sec. 271. Definitions.
"Sec. 272. Office of Community Trade Adjustment.
"Sec. 273. Notification and certification as an eligible community.
"Sec. 274. Community Economic Development Coordinating Committee.
"Sec. 275. Community economic adjustment advisors.
"Sec. 276. Strategic plans.
"Sec. 277. Grants for economic development.
"Sec. 278. Authorization of appropriations.
"Sec. 279. General Provisions.".

(B) CHAPTERS 6 AND 7.—The table of contents for title II of the Trade Act of 1974, as amended by subparagraph (A), is amended

by inserting after the items relating to chapter 5 the following:

"CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

"Sec. 291. Definitions.
"Sec. 292. Petitions; group eligibility.
"Sec. 293. Determinations by Secretary.
"Sec. 294. Study by Secretary when International Trade Commission begins investigation.
"Sec. 295. Benefit information to agricultural commodity producers.
"Sec. 296. Qualifying requirements for agricultural commodity producers.
"Sec. 297. Fraud and recovery of overpayments.
"Sec. 298. Authorization of appropriations.

"CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

"Sec. 299. Definitions.
"Sec. 299A. Petitions; group eligibility.
"Sec. 299B. Determinations by Secretary.
"Sec. 299C. Study by Secretary when International Trade Commission begins investigation.
"Sec. 299D. Benefit information to producers.
"Sec. 299E. Qualifying requirements for producers.
"Sec. 299F. Fraud and recovery of overpayments.
"Sec. 299G. Authorization of appropriations.".

(b) INTERNAL REVENUE CODE.—

(1) ADJUSTED GROSS INCOME.—Section 62(a)(12) of the Internal Revenue Code of 1986 (relating to the definition of adjusted gross income) is amended by striking "trade readjustment allowances under section 231 or 232" and inserting "trade adjustment allowances under section 235 or 236".

(2) FEDERAL UNEMPLOYMENT.—

(A) IN GENERAL.—Section 3304(a)(8) of the Internal Revenue Code of 1986 (relating to the approval of State unemployment insurance laws) is amended to read as follows:

"(8) compensation shall not be denied to an individual for any week because the individual is in training with the approval of the State agency, or in training approved by the Secretary of Labor pursuant to chapter 2 of title II of the Trade Act of 1974 (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);".

(B) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply in the case of compensation paid for weeks beginning on or after the date that is 90 days after the date of enactment of this Act.

(ii) MEETING OF STATE LEGISLATURE.—

(I) IN GENERAL.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by subparagraph (A), the amendments made by subparagraph (A) shall apply in the

case of compensation paid for weeks beginning after the earlier of—

(aa) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(bb) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for at least 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date described in clause (i).

(II) SESSION DEFINED.—In this clause, the term "session" means a regular, special, budget, or other session of a State legislature.

(c) AMENDMENTS TO TITLE 28.—

(1) CIVIL ACTIONS AGAINST THE UNITED STATES.—Section 1581(d) of title 28, United States Code, is amended—

(A) in paragraph (1), by striking "section 223" and inserting "section 231"; and

(B) in paragraph (3), by striking "section 271" and inserting "section 273".

(2) PERSONS ENTITLED TO COMMENCE A CIVIL ACTION.—Section 2631 of title 28, United States Code, is amended—

(A) by amending subsection (d)(1) to read as follows:

"(d)(1) A civil action to review any final determination of the Secretary of Labor under section 231 of the Trade Act of 1974 with respect to the certification of workers as adversely affected and eligible for trade adjustment assistance under that Act may be commenced by a worker, a group of workers, a certified or recognized union, or an authorized representative of such worker or group, that petitions for certification under that Act and is aggrieved by the final determination."; and

(B) in subsection (d)(3), by striking "Secretary of Commerce under section 271" and inserting "Director of the Office of Community Trade Adjustment under section 273".

(3) TIME FOR COMMENCEMENT OF ACTION.—Section 2636(d) of title 28, United States Code, is amended by striking "under section 223 of the

Trade Act of 1974 or a final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, or a final determination of the Director of the Office of Community Trade Adjustment under section 273 of that Act".

(4) SCOPE AND STANDARD OF REVIEW.—Section 2640(c) of title 28, United States Code, is amended by striking "under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, or a final determination of the Director of the Office of Community Trade Adjustment under section 273 of that Act".

(5) RELIEF.—Section 2643(c)(2) of title 28, United States Code, is amended by striking "under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974,

a final determination of the Secretary of Commerce under section 251 of that Act, or a final determination of the Director of the Office of Community Trade Adjustment under section 273 of that Act".

(d) AMENDMENT TO THE FOOD STAMP ACT OF 1977.—Section 6(o)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(1)(B)) is amended by striking "section 236" and inserting "section 240".

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

SEC. 801. SAVINGS PROVISIONS.

(a) PROCEEDINGS NOT AFFECTED.—

(1) IN GENERAL.—The provisions of this Act shall not affect any petition for certification for benefits under chapter 2 of title II of the Trade Act of 1974 that is in effect on September 30, 2001. Determinations shall be issued, appeals shall be taken therefrom, and payments shall be made under those determinations, as if this Act had not been enacted, and orders issued in any proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(2) MODIFICATION OR DISCONTINUANCE.—Nothing in this subsection shall be deemed to pro-

hibit the discontinuance or modification of any proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this Act had not been enacted.

(b) SUITS NOT AFFECTED.—The provisions of this Act shall not affect any suit commenced before October 1, 2001, and in all those suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(c) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Federal Government, or by or against any individual in the official capacity of that individual as an officer of the Federal Government, shall abate by reason of enactment of this Act.

SEC. 802. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in sections 401(b), 501(b), and 701(b)(2)(B), and subsection (b) of this section, the amendments made by this Act shall apply to—

(1) petitions for certification filed under chapter 2 or 3 of title II of the Trade Act of 1974 on or

after the date that is 90 days after the date of enactment of this Act;

(2) petitions for certification filed under chapter 2 or 3 of title II of the Trade Act of 1974 before the date that is 90 days after the date of enactment of this Act, that are pending on such date; and

(3) certifications for assistance under chapter 4 of title II of the Trade Act of 1974 issued on or after the date that is 90 days after the date of enactment of this Act.

(b) WORKERS CERTIFIED AS ELIGIBLE BEFORE EFFECTIVE DATE.—Notwithstanding subsection (a), a worker shall continue to receive (or be eligible to receive) trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on the day before the effective date of this Act, for any week for which the worker meets the eligibility requirements of such chapter II as in effect on such date, if on or before such date, the worker—

(1) was certified as eligible for trade adjustment assistance benefits under such chapter as in effect on such date; and

(2) would otherwise be eligible to receive trade adjustment assistance benefits under such chapter as in effect on such date.

Date: 12/4/01 4:29 PM
Sender: Carla Martin
To: #All Staff (Dem-Rep); Brad Cannon; Richard Chriss; Carrie Clark; Hope Cooper; Faith Cristol; Kolan Davis; John Drake; Everett Eissenstat; Gina Falconio; Jill Gerber; John Gill; Jeanne Haggerty; Diann Howland; Jill Kozeny; Ed McClellan; Tiffany McCullen; Elizabeth Paris; Mark Prater; Rebecca Reisinger; Steve Robinson; Leah Shimp; Monica Tencate; Ted Totman; Tom Walsh; Jason Wiley; Dean Zerbe
Priority: Normal
Subject: Results of Markup

The Chairman's Mark to S. 1209, the Trade Adjustment Assistance for Workers, Farmers, Fishermen, Communities and Firms Act of 2001, was favorably reported to the full Senate, as amended.
The following amendments were offered:

Murkowski Amendment, #10, regarding Country of Origin Labeling of Fish and Shellfish Products, **approved** by roll call vote, 14 ayes, 5 nays.

Ayes: Baucus, Rockefeller, Daschle (proxy), Breaux, Conrad, Graham (proxy), Jeffords (proxy), Bingaman, Kerry (proxy), Grassley, Hatch, Murkowski, Snowe, Thomas
Nays: Lincoln, Nickles (proxy), Gramm, Thompson (proxy), Kyl

Hatch Amendment, #7, to provide the President with trade negotiating authority through 10/1/05, to harmonize and enhance Trade Adjustment Assistance and to provide Trade Adjustment Assistance to U.S. farmers and fisherman. **WITHDRAWN**

Breaux Amendment, #1, to maintain the integrity of the tariff-rate quotas on sugars, syrups and sugar-containing products by stopping circumvention as soon as it becomes apparent. **APPROVED BY VOICE VOTE.**

Grassley Amendment, #6, to provide that Customs Service user fees shall only be used for Customs Service operations and programs, and that legislation authorizing funds for the Customs Service be passed this year, with a Kyl second-degree amendment. **ACCEPTED BY THE CHAIRMAN BY U.C., WITHOUT OBJECTION.**