

Overview of Trade Adjustment Assistance Program

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EMPLOYMENT AND TRAINING ADMINISTRATION
UNITED STATES DEPARTMENT OF LABOR

What is TAA?



- Trade Adjustment Assistance helps individuals who have become unemployed as a result of competition from foreign trade
- Program Goals
 - Encourage the rapid reemployment of TAA-eligible individuals
 - Provide training and income support where necessary for a worker to achieve reemployment
 - Assist individuals to obtain reemployment in fields where they are likely to remain employed and earn wages comparable to their prior jobs

What is the history of TAA?



- Established by the Trade Act of 1974.
- On August 6, 2002, President George W. Bush signed into law the Trade Act of 2002.
- Major changes in the Trade Act of 2002 include:
 - Consolidated and streamlined programs (TAA and NAFTA TAA)
 - Expanded eligibility of workers
 - Promotes early intervention and rapid reemployment
 - Provides enhanced training opportunities for individuals in need of such services
 - Provides for a health coverage tax credit
 - Provides additional opportunities for older workers for whom training may not be appropriate (Alternative Trade Adjustment Assistance Program)

How does the TAA process work?



- Layoff occurs
- Petition is filed with DOL and the Governor on behalf of the workers
- DOL investigates and issues a certification or denial for the worker group
- Workers individually report to One-Stop Career Centers to apply for benefits and services

How do investigations work?



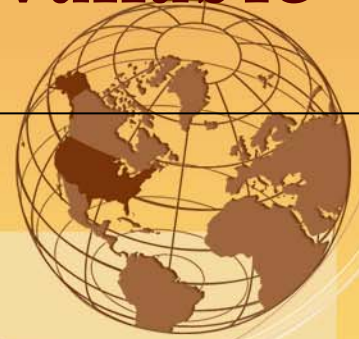
- DOL initiates investigation immediately upon receiving petition
- DTAA collects data from the company laying off the workers on
 - Employment levels
 - Company sales and production
 - Company imports
 - Major customers that may be buying imports
 - 40-day statutory time limit for investigations
- Average processing time reduced from 96 days in FY 2002 to 31 days in FY 2006

Who may be certified?



- Workers who have lost their jobs or suffered a reduction of hours and wages as a result of increased imports or shifts in production outside the United States
- Workers whose firm is a supplier or downstream producer to a firm whose workers are TAA-certified

What are the benefits/services available to certified workers?



- Benefits Provided Under Trade Act
 - Training
 - Trade Readjustment Allowances
 - Relocation Allowances
 - Job Search Allowances
 - Health Coverage Tax Credit
 - ATAA Wage Subsidies
- Services Governor is Required to Make Available Under WIA (non-certified workers may also receive these services)
 - Rapid Response
 - Core and Intensive Services

How were TAA benefits funded in 2006?



- TAA training – FUBA (capped at \$220 million)
- TAA training administration – FUBA (\$33 million or 15% of TAA training funds)
- TRA – FUBA (entitlement/ \$655 million budgeted)
- ATAA wage subsidies – FUBA (\$52 million)
- TAA for Farmers training – included in TAA training
- Job search and relocation allowances – FUBA (\$6 million)
- Total TAA related funds – \$966 Million

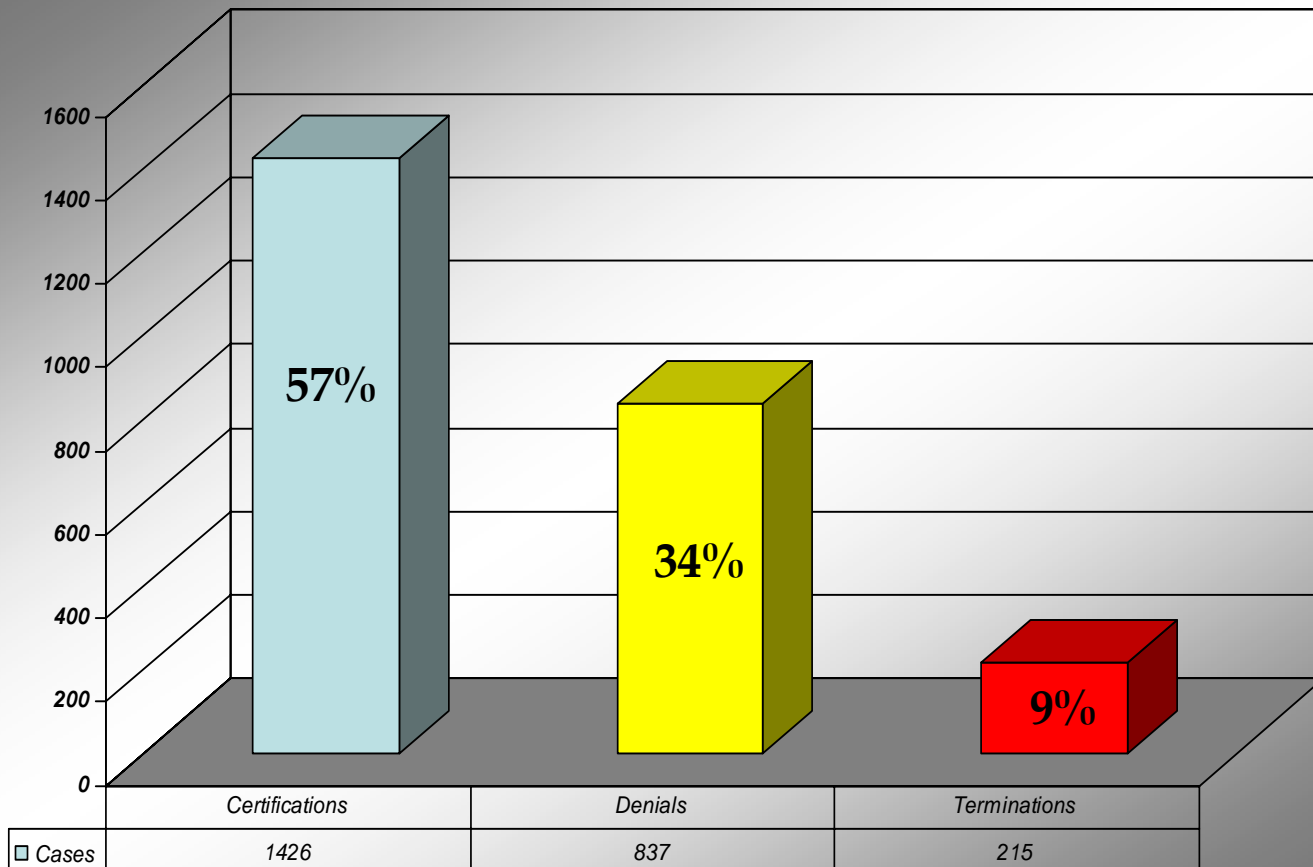
*How many TAA decisions are issued each year?



	<u>Certifications</u>	<u>Denials</u>
• FY 2001	1,029	606
• FY 2002	1,594	980
• FY 2003	1,880	1,210
• FY 2004	1,802	946
• FY 2005	1,534	757
• FY 2006	1,426	837

*Note that the numbers of certifications and denials issued in a year will not equal the number of petitions received in that year, due to terminations and petition processing time.

What percent of TAA cases were certified in FY 2006?

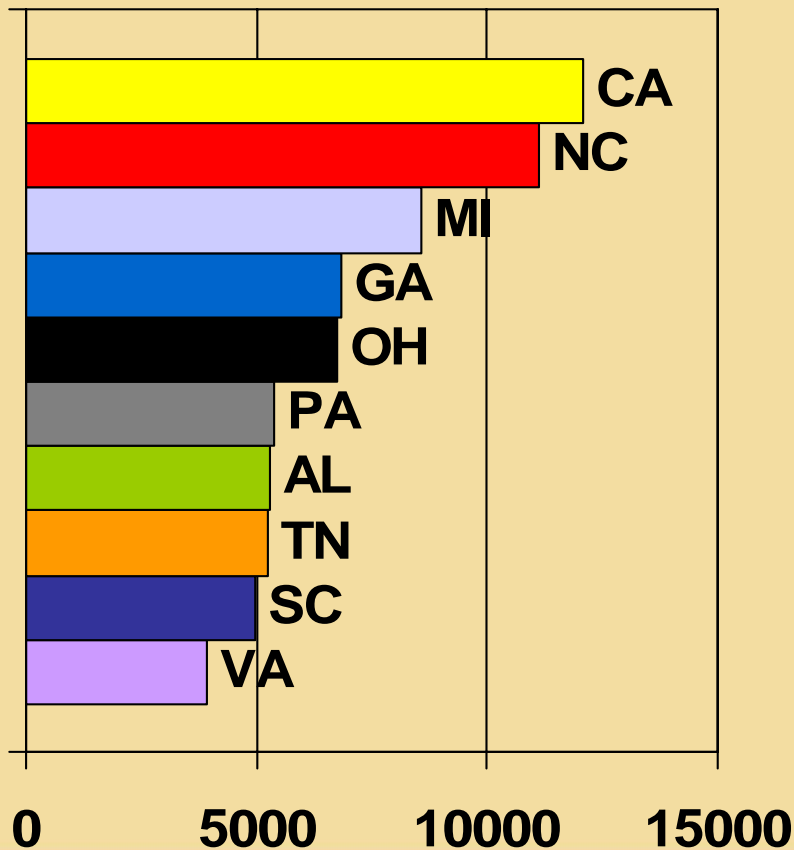


What are some case processing highlights for FY 2006?



- Certifications: 1,426
- Total Determinations: 2,478
- Est. Workers Covered: 120,199
- 88% of Trade Certified Groups were also Certified for Alternative Trade Adjustment Assistance
- Largest Single Reason for Denials is that Workers do not Produce an Article (44%)
- 63% of Cases were Certified in FY2006 (excluding terminations)

Which states had the most certified workers in FY 2006?



- California had the highest estimated number of workers certified in FY06 (12,097)
- Followed by North Carolina (11,143) & Michigan (8,562)

Data Source: Division of Trade Adjustment Assistance Management Information System (DTAA MIS)

Which industries had the most certified workers in FY 2006?



- **Textile Mill Products (SIC 22)**
 - 16,615 Estimated Number of Workers
- **Electronic And Other Electrical Equipment And Components, Except Computer Equipment (SIC 36)**
 - 13,280 Estimated Number of Workers
- **Transportation Equipment (SIC 37)**
 - 12,010 Estimated Number of Workers
- **Apparel And Other Finished Products Made From Fabrics And Similar Materials (SIC 23)**
 - 9,935 Estimated Number of Workers
- **Rubber And Miscellaneous Plastics Products (SIC 30)**
 - 9,521 Estimated Number of Workers

What administrative reforms have been implemented?



Significant administrative reforms have already been implemented:

- Reengineering of the TAA petition process
- Distribution of TAA training funds by formula
- Institutionalization of quarterly performance reporting requirements
- Integration of services with WIA and the One-Stop system
- Certification of workers who produce intangible articles, e.g. software
- Inclusion of leased/contract workers in certifications