

# **Trade Adjustment Assistance for Workers**

**Report to the Committee on Finance of the  
Senate and Committee on Ways and Means  
of the House of Representatives  
December 2010**

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The Department of Labor, Employment & Training Administration (ETA), submits the following report on the Trade Adjustment Assistance (TAA) program to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives. This report is in accordance with section 249B(d) of the Trade Act of 1974 as added by section 1854 of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA). That provision requires the Department to provide a summary of specified data collected by ETA on the TAA program for the preceding Fiscal Year (FY). This report reflects data reported through FY 2010.

In FY 2010, ETA continued to administer two separate TAA programs – the program implementing the TGAAA that went into effect for petitions filed on or after May 18, 2009 (TGAAA program), and the TAA program that was administered under the Trade Act as amended by the TAA Reform Act of 2002, which existed before May 18, 2009 (pre-TGAAA program). As noted in each section, the data contained in this report reflect data on the TGAAA program, the pre-TGAAA program, or participants in both programs.

**Program Overview**

The Trade Adjustment Assistance for Workers, Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs are authorized under the Trade Act of 1974, as amended. These programs collectively referred to as TAA, provide assistance to workers who have been adversely-affected by foreign trade (trade-affected workers). On February 17, 2009, President Obama signed into law the TGAAA, as part of the American Recovery and Reinvestment Act of 2009 (Recovery Act). The TGAAA reauthorized TAA; expanded TAA coverage to more workers and firms, including workers and firms in the service sector; made benefits available to workers whose jobs have been off-shored to any country without regard to whether there was an increase in imports (as opposed to covering a more limited set of shifts in production); improved workers' training options, including the availability of a training benefit for older workers who are also receiving wage supplements; and increased the affordability of health insurance coverage. It authorized funding for employment and case management services, and encouraged the type of long-term training necessary for workers adversely affected by trade to transition successfully to jobs in the 21st century American economy through a longer period of income support, an increase in the cap for training funding, and access to training for trade-affected incumbent workers. The expanded coverage and benefits available under the TGAAA are currently

set to expire on December 31, 2010, at which time the TGAAA requires the program to revert to operating as though the TGAAA had never been enacted. The reversion of the program would mean that workers covered under petitions filed before January 3, 2011, even if those petitions are certified after January 3, 2011, still would be eligible to receive the expanded benefits provided under the TGAAA program, but workers covered under petitions filed after that date would be subject to the more limited benefits and restrictive rules of the pre-TGAAA program.

The TGAAA program offers the following services to eligible individuals: training, weekly income support, out-of-area job search and relocation allowances, employment and case management services, eligibility for assistance with payments for health insurance coverage through the Health Coverage Tax Credit (HCTC)\*, and wage supplements for some older workers through the RTAA program. RTAA is the wage supplement option available to reemployed older workers authorized by the TGAAA. RTAA replaced the ATAA program, which provided wage supplements for reemployed older workers as a demonstration project under the pre-TGAAA program.

For a worker to be eligible to apply for TAA, the worker must be part of a group of workers that is the subject of a petition filed with and certified by ETA. Three workers of a company, a company official, a union or other duly authorized representative, or a One-Stop Career Center operator or One-Stop partner may file that petition with ETA (and, simultaneously, with the Governor of the State in which the workers' firm is located). In response to the filing, ETA institutes an investigation to determine whether foreign trade was an important cause of the workers' job loss or threat of job loss. If ETA determines that the workers meet the statutory criteria for group certification of eligibility to apply for TAA, then ETA certifies the petition.

Once covered by a certification, individual workers apply for benefits and services through the One-Stop delivery system. Benefits and services have specific individual eligibility criteria that must be met, such as previous work history, unemployment insurance eligibility, and individual skill levels.

## **Report Summary**

This report contains the information required by section 249B(d) of the Trade Act grouped into three main categories: petition activity, program activity, and participant data and outcomes.

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\* Data on the number of workers receiving HCTC and the duration of their receipt of this benefit are not included in this report, as this information is collected by the IRS and reported by them in a separate annual report.

### *Petition Activity*

During FY 2010, ETA determined that 2,718 petitions, or 76 percent of the total number of determinations issued during the year, met the TGAAA group eligibility criteria. An estimated 280,873 workers were covered by certifications, while an estimated 80,074 workers were denied group eligibility.

ETA began FY 2010 with a record number of TAA petitions due to a combination of the economic recession and the spike in the petition activity that began in FY 2009 with the enactment of the TGAAA. As a result of implementation of the TGAAA, ETA received an increased number of petitions which created a backlog of pending petitions leading to a delay in processing time in 2010. ETA took several steps to aggressively reduce the backlog. We describe our backlog reduction strategy in greater detail in Section 1 below. By September 30, 2010, these strategies had succeeded in significantly reducing the backlog of petitions and achieving a steady state of incoming petitions and completed determinations.

The most significant change to the group eligibility criteria under the TGAAA is the inclusion of workers in the service sector on the same terms as workers in the manufacturing sector. This addition played a large role in the petitions ETA certified in FY 2010. During this fiscal year, ETA certified more than 800 petitions based on a finding of a shift of services or acquisition of services, and another 150 petitions based on other service-related criteria. These are petitions that may not have been certified before enactment of the TGAAA.

### *Program Activity*

During FY 2010, ETA continued working to ensure that trade-affected workers receive all of the benefits and services available under the TGAAA. Under expanded group eligibility criteria, the pool of trade-affected workers eligible for services grew as well. Ensuring the consistent and timely delivery of those services nationwide under provisions of the Secretary/Governor's Agreements was a Departmental focus this year. As part of this focus, ETA worked to increase guidance on the TAA program to the workforce system, increase transparency in the TAA program through an updated website and data availability, and provide the States with the necessary funding to effectively administer the TAA program.

## *Participant Data and Outcomes*

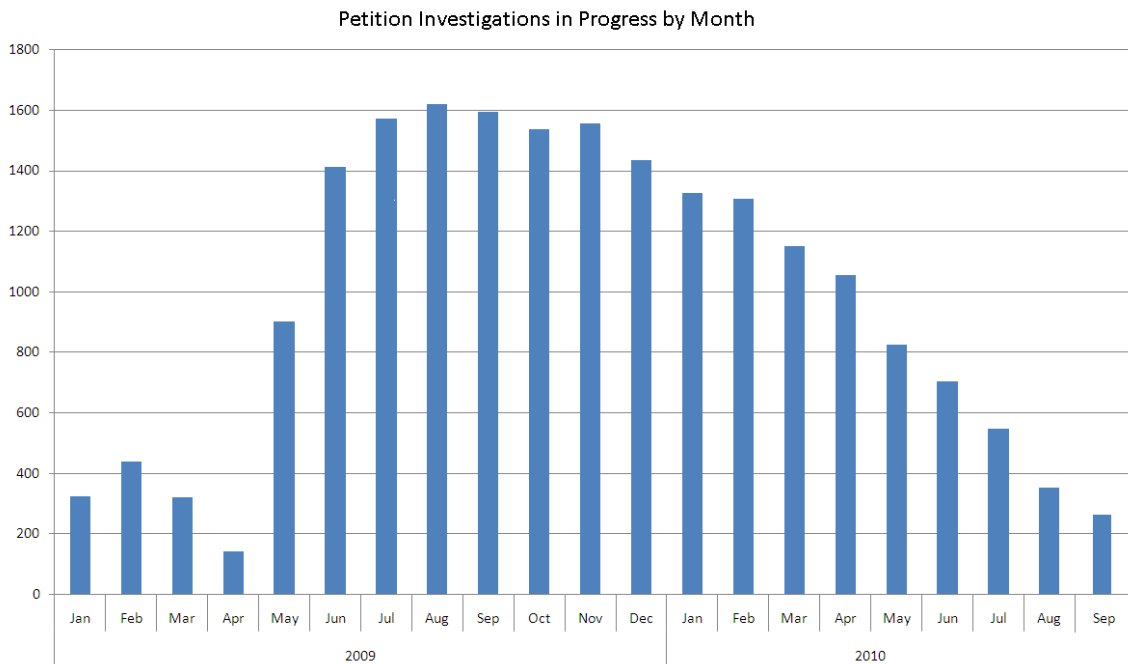
In FY 2010, ETA consolidated three of its reports on TAA activities and outcomes into a single streamlined report, the Trade Activity Participant Report (TAPR). This change was designed to respond to new reporting requirements mandated in the TGAAA, including new data elements and performance measures, as well as standards and control measures designed to ensure that data reported is valid and reliable. States have responded to the increased level of transparency demanded by the TGAAA, and many are achieving increased levels of coordination and effective use of electronic tools. These strategies provide TAA participants with an accurate understanding and provision of TAA benefits and services in a manner that supports better employment results.

### **Section 1: Data on TAA Petition Activity**

#### *Background*

ETA began FY 2010 with a record number of TAA petitions under investigation due to a combination of increased activity caused by the economic recession and the spike in the petition activity that began in FY 2009 with the enactment of the TGAAA.

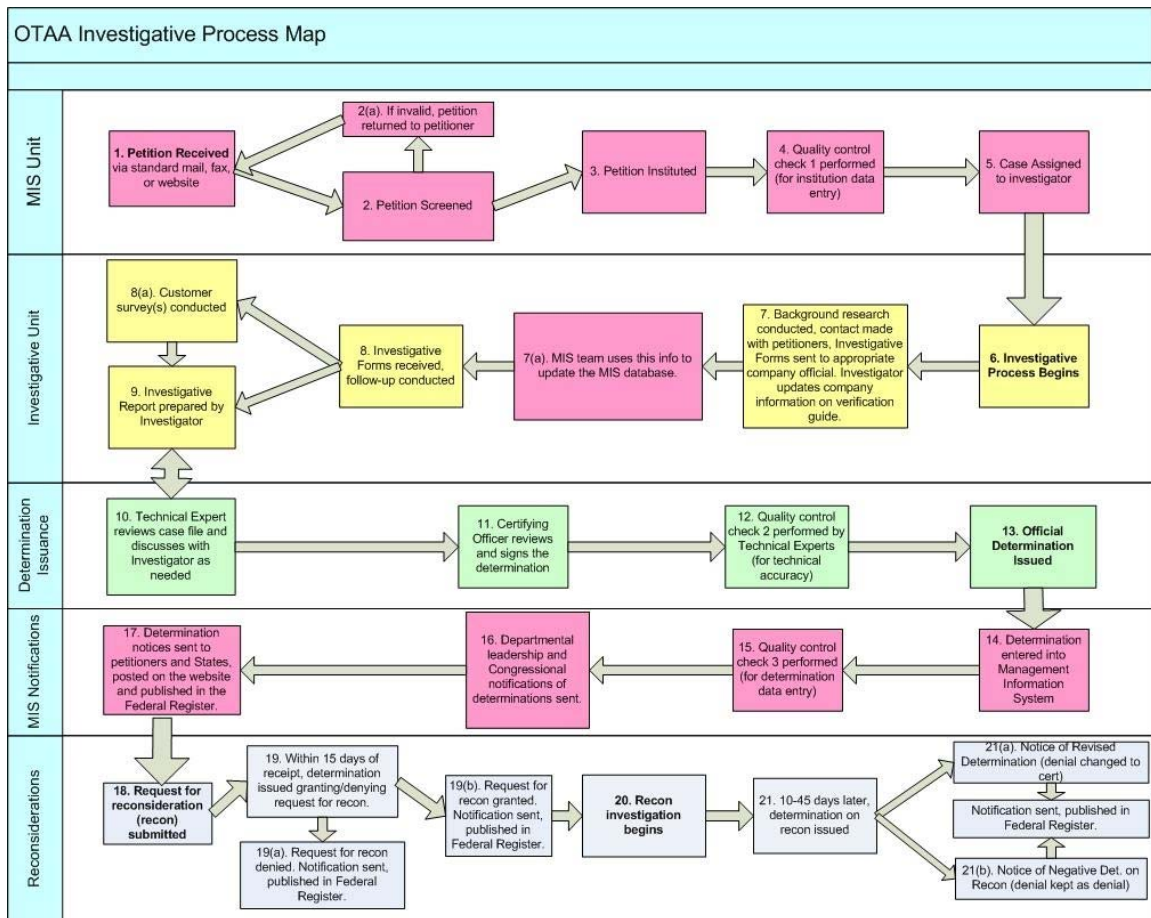
In the second half of FY 2009, ETA received an increased number of petitions which created a backlog of petitions under investigation and led to a delay in processing time in 2010. The number of incoming petitions did not stabilize until the fourth quarter of FY 2010.



The chart above indicates the number of petition investigations in process by month through the end of FY 2010.

### Backlog Reduction Strategy

In order to align with Secretary Hilda L. Solis’s vision of “Good Jobs for Everyone,” ETA’s priority was to address the petition backlog quickly and efficiently so that trade-affected workers could receive timely benefits and job services as they attempted to reenter the labor force. ETA implemented a backlog reduction strategy and worked to create efficiencies throughout the investigation process (as outlined in the process map below).



The chart above illustrates the work flow process for managing petitions, from the time a petition is filed through notification of an eligibility determination and includes the administrative reconsideration process.

To maintain efficiency in petition investigations for each case in relation to the new group eligibility criteria, ETA focused on the following:

- Ensuring appropriate staffing, training and professional development.
- Assigning a senior manager to the Office of Trade Adjustment Assistance to focus specifically on investigations.

- Improving the petition screening and data entry processes to ensure better data validation of petitions received and more efficient petition workload assignments.
- Creating special *Action Teams*, composed of experienced investigators, to focus on the more difficult petitions to investigate.
- Developing a series of Quality Control checks to improve production outputs of Management Information Systems (MIS) and investigations and to ensure the accuracy of the petition case files and determination documents and to increase the efficiency of case processing.
- Designating technical experts among the experienced investigators to provide technical guidance to staff and direct the TAA petition workflow.
- Establishing a process for coordination with the Office of the Solicitor to assist investigators in collecting information, including the use of the subpoena process.

By September 30, 2010, these strategies had succeeded in significantly reducing the backlog of petitions.

#### *Production Measures and Outcomes*

ETA established production measures to monitor the backlog reduction efforts. These measures were used to track ETA's progress in the following areas:

- Average Petition Processing Time
- Percent of Petitions Completed within 40-day Statutory Timeline
- Number of Investigations in Process
- Total Number of Pending Petitions in Process over 40 days

The backlog reduction strategy yielded positive results over the last two quarters of FY 2010. ETA made significant progress in each area by significantly reducing the average petition process time by 34 percent (Chart 1), more than quadrupling the number of petitions completed within 40 days (Chart 2), reducing investigations in process from over 1,600 petitions to 350 by the end of Quarter 4 (Chart 3), and reducing the number of petitions in process for over forty days from over 1,300 petitions to 241 by the end of Quarter 4 (Chart 4).

Chart 1

Avg. Petition Processing Time FY 2010

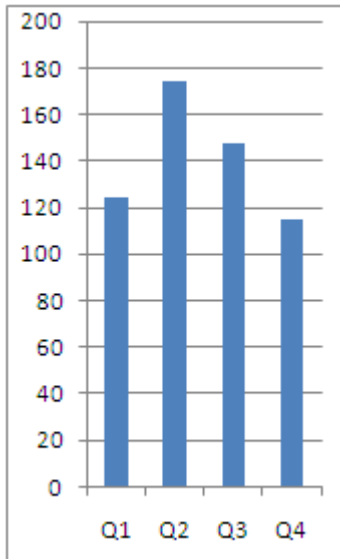


Chart 2

Petitions Completed within 40 days FY 2010

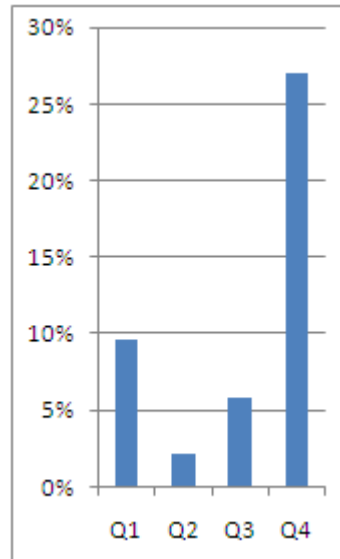


Chart 3

Investigations in Process FY 2010

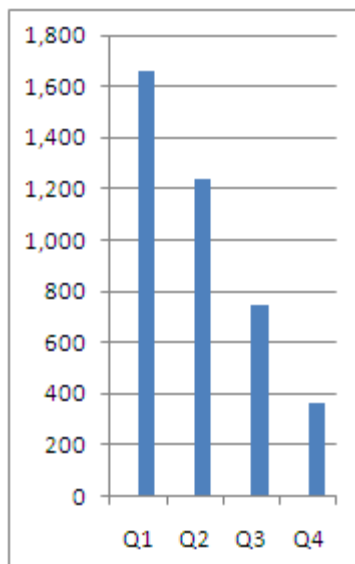
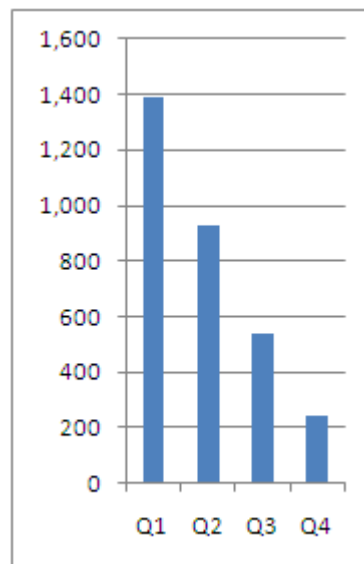


Chart 4

Petitions in process over 40 days FY 2010





## Overview of Determinations

### TAA Petition Filing and Determination Activity, FY 2007 – FY 2010

Fiscal Year	Petitions Filed	Petitions Certified	Petitions Denied
2007	2,272	1,467	611
2008	2,224	1,437	601
2009	4,549	1,845	452
2010	2,222	2,718	838

In FY 2010, ETA experienced a significant reduction in petition filings compared to FY 2009, with the number of petitions filed returning to similar levels as in FY 2008. However, ETA issued a much larger number of determinations in FY 2010 than in the three previous fiscal years. This was a result of determinations being issued for petitions filed during FY 2009. The number of petitions certified and denied in any fiscal year will not total the number of petitions filed in that year because of the processing time for petitions and the termination of investigations because, among other reasons, some petitions were withdrawn. For FY 2009, trade-affected workers were provided an opportunity to withdraw petitions filed under the old law and re-file after the effective date of the 2009 Amendments. In addition, the backlog created by this withdrawal and re-filing, as well as increased interest in the program under expanded eligibility, resulted in a backlog in Fiscal Year 2009 that was not resolved until Fiscal Year 2010.

In FY 2010, an estimated 280,873 workers were covered by certifications, while an estimated 80,074 workers were covered under petitions that were denied. Certifications occurred in all 50 states, as well as Puerto Rico. No certifications were issued for companies in the District of Columbia. Data on determinations issued by congressional district is forthcoming and could not be provided at this writing.

The following charts provide, for FY 2010, a breakout of certifications by statutory provision, a snapshot of industries in which worker group certifications occurred, and a breakout by state.

### FY 2010 Certification Types

Certification Type	Statutory Provision Section 222	% of Certs	# of Certs	Estimated # of Workers
Company Imports of Articles	(a)(2)(A)(ii)(I)	6.73%	183	22,525
Company Imports of Services	(a)(2)(A)(ii)(I)	0.85%	23	4,009
Customer Imports of Articles	(a)(2)(A)(ii)(I)	13.10%	356	44,840
Customer Imports of Services	(a)(2)(A)(ii)(I)	1.18%	32	6,138
Imports of Finished Articles Containing Like or Directly Competitive Components	(a)(2)(A)(II)(aa)	0.37%	10	1,353
Imports of Finished Articles Containing Foreign Components	(a)(2)(A)(III)	0.07%	2	294
Imports of Articles Produced Using Worker Services	(a)(2)(A)(II)(bb)	0.18%	5	357
Increased Aggregate Imports	(a)(2)(A)(ii)(I)	3.68%	100	14,905
Shift in Production	(a)(2)(B)(i)(I)	24.91%	677	86,569
Acquisition of Articles From a Foreign Country	(a)(2)(B)(i)(II)	3.05%	83	8,205
Shift of Services	(a)(2)(B)(i)(I)	21.85%	594	29,546
Acquisition of Services From a Foreign Country	(a)(2)(B)(i)(II)	7.87%	214	12,022
Public Agency	(b)	0.00%	0	0
Secondary Component Supplier	(c)(2) & (c)(3)(A)/(c)(3)(B)	10.60%	288	37,788
Secondary Service Supplier	(c)(2) & (c)(3)(B)	3.31%	90	4,102
Downstream Producer	(c)(2) & (c)(3)(B)	1.77%	48	4,079
ITC Determination	(f)	0.48%	13	4,141
<b>Total</b>			<b>2,718</b>	<b>280,873</b>

### FY 2010 Certifications by Industry Sector

2 Digit NAICS (Industry Sector)	Number of Certs	Est No Workers
Agriculture, Forestry, Fishing and Housing	11	675
Mining, Quarrying, and Oil and Gas Extraction	7	726
Utilities	2	26
Construction	7	400
Manufacturing	1,779	226,295
Wholesale Trade	60	3,922
Retail Trade	19	1,665
Transportation and Warehousing	67	4,344
Information	117	7,214
Finance and Insurance	87	6,240
Professional, Scientific and Technical Services	390	18,650

Management of Companies and Enterprises	12	585
Administrative and Service, Waste Management and Remediation Services	103	5,767
Educational Services	2	87
Health and Social Assistance	39	1,111
Accommodation and Food Services	7	2,272
Other Services	9	894
Total	2,718	280,873

### FY 2010 Certifications by State

State	Certs	Est. Workers	State	Certs	Est. Workers	State	Certs	Est. Workers
AL	24	7,008	MA	69	6,649	OK	16	832
AR	31	2,349	MD	18	732	OR	65	10,049
AZ	43	4,528	ME	26	1,546	PA	208	15,684
CA	225	20,571	MI	189	34,866	PR	1	138
CO	53	2,046	MN	51	4,053	RI	20	775
CT	52	2,332	MO	48	5,618	SC	58	5,298
DE	1	8	MS	17	1,876	SD	2	794
FL	39	3,451	MT	17	418	TN	66	8,402
GA	39	4,559	NC	169	14,658	TX	131	12,893
HI	3	43	ND	2	453	UT	21	2,522
IA	32	2,936	NE	12	1,042	VA	67	8,159
ID	26	963	NH	11	671	VT	9	374
IL	102	13,239	NJ	64	3,528	WA	59	5,466
IN	84	11,820	NM	9	2,273	WI	96	10,356
KS	12	1,493	NV	5	63	WV	24	1,943
KY	57	6,247	NY	111	8,531	WY	1	46
LA	12	1,309	OH	221	25,263	Total	2,718	280,873

### *Certifications Under the TGAAA Certification Criteria*

During FY 2010, ETA determined that 2,718 petitions, or 76 percent of the total number of determinations issued during the year (excluding terminations of investigations of petitions, usually because petitioners withdrew their petitions), met the group eligibility criteria. The following section highlights ETA's experience with certain aspects of the certification criteria added by the TGAAA.

### Service Sector Workers

The most significant change to the group eligibility criteria under the TGAAA is the inclusion of workers in the service sector on the same terms as workers in the manufacturing sector. The most common reason for certifying service sector workers under the TGAAA criteria was a finding of a shift in the supply of services to a foreign country by the workers' firm or acquisition of services from a foreign country by the workers' firm - commonly known as "outsourcing."

For example, in FY 2010, ETA certified more than 800 petitions based on a finding of a shift of services or acquisition of services, and another 150 petitions based on other service-related criteria.

Petitions involving service sector firms are often significantly different from petitions involving production firms. For example, the organizational structures of service sector firms, particularly information technology firms, are often a complex web of small subdivisions and project teams, and may include teleworkers in multiple states. In such petitions (where there is often a clear shift of services to a foreign country), identifying the appropriate subdivision(s), and the associated worker group(s), that is the subject of the investigation may be the most challenging aspect of the case. In these petitions, it is essential for ETA to work with a cooperative and knowledgeable company official who is familiar with the corporate structure as well as the circumstances of the layoffs.

ETA also is investigating more petitions where a single worker group includes workers in multiple locations across the United States (U.S.). A typical example involves a company with multiple locations that decides to outsource and centralize certain information technology, accounting, or customer service activities with a third-party provider in another country. The acquisition of services from a foreign country may contribute importantly to the layoff or separation of one or two workers at numerous locations (in one case, at more than one hundred locations) across the country.

#### Shifts to a Foreign Country

Before the TGAAA, in order to certify a petition based on a shift in production to another country, the Trade Act required that the shift be accompanied by increased imports of like or directly competitive articles, unless the shift in production was to a country with which the U.S. had entered into a free trade agreement or treaty. Investigations under the new shift criterion are considerably streamlined since ETA no longer needs to collect sales, production and import data, or customer information from the workers' firm. As a result, ETA has experienced greater cooperation from firms involved in shift-related petitions and quicker processing times compared to petitions involving other statutory bases for determinations. A finding of a shift to a foreign country in the production of articles or supply of services by the workers' firm, or acquisition of articles or services from a foreign country, accounted for 58 percent of all certifications during FY 2010.

### Increased Reliance on Imports

During FY 2010, the ongoing downturn in the economy and the general decrease in U.S. imports led to challenges in how ETA investigated the effects of imports. Unlike prior years, during FY 2010 it was unusual to issue a certification based on a finding of an absolute increase in imports. Investigations involved comparing changes in imports relative to domestic production. Certifications were often based on a finding that while both overall imports and domestic production were declining, domestic production was declining at a faster rate and thus imports were increasing relative to domestic production.

### *Denials Under the TGAAA Certification Criteria*

During FY 2010, ETA determined that 837 petitions, or 24 percent of the total number of determinations issued during the year (excluding terminations), did not meet the certification criteria. In order for ETA to deny a petition, it must establish that the worker group does not meet the group eligibility criteria of Sections 222(a), 222(b), 222(c) or 222(f).

ETA has found that certain categories of petitioning worker groups were more likely to be denied certification, even under the expanded certification criteria of the TGAAA. For example, worker groups associated with firms that produce capital equipment for manufacturing may expect that they can be certified based on increased imports of the articles that their equipment is designed to produce, but Section 222(a) does not cover that scenario. Under Section 222(a), certifications may be issued where there are increased imports of articles produced by a firm or increased imports of articles which incorporate component parts produced by a firm. These criteria do not cover firms that produce the machinery used to produce an article. Similarly, while suppliers of component parts may be certified under the Section 222(c) secondary worker criteria based on a loss of business with a primary firm with a TAA-certified worker group, workers in firms that produce capital equipment cannot meet the statutory definition of a "supplier." They only may be certified under Section 222(c) as downstream producers if they supply aftermarket repair or maintenance services to the equipment they produce, which is sometimes but not always the case.

A second example of worker groups that were often denied certification are those associated with automobile dealerships. Petitions were filed by and for workers engaged in services and activities provided by automotive dealerships, i.e., direct car sales and service maintenance to consumers. Although these workers' firms may have franchise relationships with major automobile manufacturers which are TAA-certified, the services supplied were not used in the production of a particular article or the supply of a specific service to those

firms. Therefore, these worker groups cannot satisfy the Section 222(c) secondary worker criteria for group eligibility certification.

A third example of worker groups that have been denied were those associated with oil production. Data from the Energy Information Agency indicates that the severity of the economic downturn has led to decreased imports of oil, both absolutely and relative to domestic production. ETA expects that, as the U.S. economy improves and oil imports increase, worker groups associated with oil production are more likely to meet the group eligibility criteria.

Finally, ETA has not certified a worker group composed of workers in a public agency. In general, public agency petitioners have alleged that businesses in their locality have been negatively affected by trade, which has led to decreased tax receipts and worker separations. However, the group eligibility criteria specify that the only path to certification for workers in a public agency is a finding that the public agency has acquired services from a foreign country like or directly competitive with the services supplied by such agency. ETA did not receive a petition for workers in a public agency that met the criteria.

## **Section 2: Information on Program Activity**

During FY 2010, ETA continued to work to ensure that trade-affected workers received all of the benefits and services available under the TGAAA program. Under expanded group eligibility criteria, the pool of trade-affected workers eligible for services grew as well. Regional Trade Coordinators in the six ETA regions have front line responsibility for service delivery for TAA, with overall direction and guidance provided by National Office staff. Ensuring the consistent and timely delivery of those services nationwide under provisions of the Secretary/Governor's Agreements was a Departmental focus this year. Activity has centered on furnishing guidance to the workforce system, increasing transparency in government, and providing funding to the States.

### *Guidance to the Workforce System*

During FY 2010, ETA took a number of steps to provide guidance to the workforce system. During FY 2010 ETA:

- In the first substantive rulemaking on the TAA program in over 15 years, issued final regulations codified at a new part 618 of title 20 of the Code of Federal Regulations (CFR) to implement changes to the TAA funding formula, as required by the TGAAA. The rule also requires (with exceptions) that TAA-funded personnel administering services and benefits to workers covered by certifications must be state employees covered by a merit system of personnel administration.

- Began drafting a Notice of Proposed Rulemaking to provide a comprehensive update of regulations for the TAA program to be codified at part 618 of title 20 of the CFR, including regulations to implement TGAAA provisions that were not included in the initial rulemaking.
- Issued administrative guidance to the states responding to questions received about administering the TGAAA program.
- Developed and delivered to workforce practitioners nationwide four online training sessions to follow up on the State implementation training delivered in FY 2009.
- Developed and competitively awarded three grants to enhance outreach efforts to trade-affected individuals in high workload areas nationwide.

#### *Transparency in Government*

- Provided extensive hands-on technical assistance to States to facilitate changes to the program's data reporting system, the TAPR, as required under the 2009 Amendments.
- Developed a revised TAA website, consistent with the Secretary's message in the Department's 2011-2016 Strategic Plan to improve transparency in government and workers' access to the program. Through the new website, (<http://www.doleta.gov/tradeact>) ETA implemented new online petition filing capability and improved access to TAA program information and statistics.

#### *Training Funds to States*

- Made an initial allocation of training funds under the 2009 Amendments equal to 65 percent of the annual allocation of \$575 million. This allocation was made using the statutory formula based upon the four most recent quarters of workload data for each state so that the allocations better reflected current need.
- Made a mid-year allocation on July 15, 2010 to reach a total allocation of 90 percent of the \$575 million in TAA training funds available for the Fiscal Year, recalculated to reflect the most recent four quarters of workload data.
- Made an end-of-year distribution of the remaining reserve funds to exhaust the \$575 million annual allocation available for TAA training.
- Analyzed and authorized a total of 12 Reserve Funding Requests, totaling \$59.6 million in funding, to States that faced unanticipated TAA training need due to higher than anticipated workload.

## State Funding Levels for FY 2010

The FY 2010 state training allocations include an initial allocation, a second allocation, a final allocation and supplemental reserve allocations. FY 2010 training funds distributed in the initial, second and final allocations were determined using the funding formula in 20 CFR part 618. The funding formula applies four equally weighted factors in determining how to distribute the funds in each allocation:

1. The trend in the number of workers covered by certifications of eligibility during the most recent four consecutive quarters for which data are available. The trend will be established by assigning a greater weight to the most recent quarters, giving those quarters a larger share of the factor;
2. The trend in the number of workers participating in training during the most recent four consecutive calendar quarters for which data are available. The trend will be established by assigning a greater weight to the most recent quarters, giving those quarters a larger share of the factor;
3. The number of workers estimated to be participating in training during the fiscal year; and
4. The amount of funding estimated to be necessary to provide approved training to such workers during the fiscal year.

In the initial allocation for FY 2010, 65 percent of the \$575 million in training funds was distributed. After the four factors described above were calculated, the statutory Hold Harmless provision ensured that the amount of the initial allocation to a State was not less than 25 percent of the initial allocation to that State in FY 2009. The funding formula made adjustments if necessary if any State's initial allocation was less than 25 percent of FY 2009.

After the Hold Harmless provision was taken into account, the Minimum Initial Allocation provision of the regulation required that if a State's adjusted initial allocation was less than \$100,000, that State received no initial allocation, and the funds that otherwise would have been allocated to that State were shared among the rest of the states. The District of Columbia, Hawaii and Wyoming did not receive an initial allocation for FY 2010 due to the Minimum Initial Allocation provision.

As required by the TGAAA and 20 CFR 618.920, the remaining 35 percent of training funds for FY 2010 were held in reserve for any State that had an unforeseen event or emergency requiring additional training funds. States that required supplemental funds submitted a reserve request, and provided a justification and data proving need. States that did not receive an initial allocation were required to submit a reserve request for needed funds. Wyoming was the only State to submit a reserve request that did not receive an initial



allocation. Connecticut, Idaho, Kentucky, Michigan, Montana, New Hampshire, New York, Oregon and South Dakota were all granted supplemental reserve funds.

In accordance with 20 CFR 618.930, which requires that at least 90 percent of the total training funds be distributed by July 15, 2010 in a second distribution, ETA distributed \$104 million using the funding formula to all states that received an initial allocation.

A final distribution was made before September 30, 2010 to allocate all remaining FY 2010 training funds. After the initial and second distributions, and all reserve request funds were distributed, \$37,652,563 in training funds were distributed among all states that received an initial allocation. In addition, \$6 million was appropriated for job search and relocation funds for the year. These funds were not distributed by formula in the initial or second distribution; states were instructed to submit requests for these funds throughout the year. Kentucky, Montana, New Hampshire, Rhode Island and Wyoming requested and were granted job search and relocation funds. The \$5,854,426 remaining after these requests were granted was distributed among the states using the formula as part of the final distribution.

To administer the training and job search and relocation funds, an additional 15 percent of these funds were distributed to the states in administration funds with every distribution.

For every state that received an initial allocation, \$350,000 in employment and case management funds authorized by the TGAAA was distributed with the administration funds. Employment and case management funds were not given to the states that did not receive an initial allocation of training funds. These states were required to submit a reserve request for training funds to receive employment and case management funds. Wyoming was the only state to submit a request.

In preparation for an anticipated Continuing Resolution, as well as the possibility of the TGAAA program not being reauthorized after FY 2010, ETA made every effort to ensure that all states have enough funding for training needs through at least December 31, 2010. If a need for additional funding arises, we have encouraged States to submit a reserve request.

**FY 2010 Total State TAA Funds**

State	Training Allocation	Administrative Allotment*	Job Search & Relocation Allotment	TRA Allotment	ATAA Allotment	Total
AL	\$10,321,972	\$1,916,309	\$120,087	\$6,678,000	\$1,193,200	\$20,229,568
AK	\$279,007	\$392,196	\$2,298	\$32,000	\$0	\$705,501
AZ	\$4,110,900	\$973,712	\$47,184	\$186,200	\$210,300	\$5,528,296
AR	\$12,650,027	\$2,266,976	\$129,814	\$7,544,500	\$210,500	\$22,801,817
CA	\$16,969,656	\$2,926,325	\$205,847	\$3,680,000	\$360,600	\$24,142,428
CO	\$3,454,033	\$873,867	\$38,413	\$1,763,100	\$427,800	\$6,557,213
CT	\$10,044,925	\$1,864,639	\$52,663	\$4,069,000	\$220,900	\$16,252,127
DE	\$639,980	\$446,741	\$4,966	\$115,000	\$458,400	\$1,665,087
DC	\$0	\$0	\$0	\$0	\$0	\$0
FL	\$3,292,512	\$849,183	\$35,367	\$729,000	\$64,700	\$4,970,762
GA	\$14,925,249	\$2,616,522	\$184,894	\$6,820,000	\$791,800	\$25,338,465
HI	\$0	\$0	\$0	\$90,500	\$22,600	\$113,100
ID	\$12,964,016	\$2,307,344	\$84,946	\$1,218,000	\$278,400	\$16,852,706
IL	\$20,912,415	\$3,522,184	\$235,475	\$8,980,000	\$788,800	\$34,438,874
IN	\$28,516,275	\$4,677,432	\$333,273	\$30,593,000	\$1,862,600	\$65,982,580
IA	\$10,200,386	\$1,899,502	\$129,626	\$4,328,000	\$327,800	\$16,885,314
KS	\$1,624,001	\$596,128	\$16,850	\$128,500	\$155,800	\$2,521,279
KY	\$17,773,947	\$3,041,230	\$167,590	\$7,490,000	\$675,100	\$29,147,867
LA	\$1,931,802	\$642,953	\$21,217	\$613,300	\$675,900	\$3,885,172
ME	\$5,023,244	\$1,113,820	\$68,891	\$1,439,000	\$660,900	\$8,305,855
MD	\$967,976	\$496,287	\$7,274	\$2,313,500	\$230,600	\$4,015,637
MA	\$12,056,206	\$2,175,357	\$112,845	\$9,745,000	\$473,100	\$24,562,508
MI	\$83,070,480	\$12,928,486	\$786,085	\$31,035,000	\$2,523,900	\$130,343,951
MN	\$10,299,375	\$1,913,780	\$125,822	\$1,178,500	\$596,600	\$14,114,077
MS	\$4,009,709	\$958,048	\$43,944	\$2,292,900	\$484,300	\$7,788,901
MO	\$17,280,434	\$2,972,259	\$201,290	\$2,280,000	\$1,035,800	\$23,769,783
MT	\$8,229,103	\$1,602,614	\$121,655	\$1,167,200	\$332,100	\$11,452,672
NE	\$1,083,430	\$514,351	\$12,243	\$721,000	\$407,800	\$2,738,824
NV	\$223,182	\$383,780	\$2,021	\$133,400	\$30,200	\$772,583
NH	\$3,817,247	\$927,649	\$33,749	\$120,000	\$399,700	\$5,298,345
NJ	\$5,463,631	\$1,177,623	\$53,856	\$4,451,000	\$113,900	\$11,260,010
NM	\$2,132,786	\$674,635	\$31,448	\$86,700	\$35,000	\$2,960,569
NY	\$16,778,066	\$2,891,209	\$163,334	\$2,465,000	\$1,604,700	\$23,902,309
NC	\$28,269,836	\$4,625,834	\$235,724	\$31,108,000	\$1,047,600	\$65,286,994
ND	\$494,081	\$424,842	\$4,864	\$1,948,700	\$313,600	\$3,186,087
OH	\$30,771,055	\$5,025,669	\$400,068	\$23,164,000	\$2,040,600	\$61,401,392
OK	\$3,805,859	\$926,772	\$39,283	\$1,000,500	\$4,253,200	\$10,025,614
OR	\$28,665,642	\$4,687,466	\$250,802	\$1,030,000	\$212,700	\$34,846,610
PA	\$31,056,520	\$5,050,900	\$282,816	\$8,093,000	\$1,244,400	\$45,727,636

State	Training Allocation	Administrative Allotment*	Job Search & Relocation Allotment	TRA Allotment	ATAA Allotment	Total
PR	\$339,661	\$401,442	\$3,287	\$60,000	\$20,000	\$824,390
RI	\$5,538,219	\$1,187,640	\$46,048	\$1,649,000	\$50,700	\$8,471,607
SC	\$15,888,344	\$2,757,436	\$161,230	\$7,626,000	\$704,600	\$27,137,610
SD	\$5,232,829	\$1,139,232	\$28,717	\$777,100	\$383,300	\$7,561,178
TN	\$7,943,987	\$1,552,618	\$73,470	\$4,912,000	\$1,062,800	\$15,544,875
TX	\$18,759,147	\$3,193,266	\$195,958	\$4,602,600	\$697,200	\$27,448,171
UT	\$3,750,011	\$918,994	\$43,285	\$5,033,000	\$197,100	\$9,942,390
VT	\$690,629	\$454,838	\$8,288	\$203,600	\$162,100	\$1,519,455
VA	\$11,445,726	\$2,087,943	\$140,558	\$4,610,000	\$908,100	\$19,192,327
WA	\$13,407,482	\$2,386,208	\$167,240	\$1,480,000	\$547,200	\$17,988,130
WV	\$4,685,923	\$1,061,611	\$58,147	\$1,551,900	\$459,700	\$7,817,281
WI	\$23,033,580	\$3,844,150	\$260,754	\$12,790,000	\$1,554,400	\$41,482,884
WY	\$175,500	\$380,000	\$24,500	\$32,000	\$0	\$612,000
Total	\$575,000,000	\$104,650,000	\$6,000,000	\$256,157,700	\$33,513,100	\$975,320,800

\*Includes \$350,000 for Case Management

### Section 3: Participant Data and Outcomes

#### *State Reporting on TAA Participant Activities and Performance Outcomes*

In FY 2010, ETA consolidated three of its reports on TAA activities and outcomes into a single streamlined report, the TAPR. This change was designed to respond to new reporting requirements mandated in the TGAAA, including new data elements and performance measures, as well as standards and control measures designed to ensure that data reported is valid and reliable.

The 2010 TAPR provides an integrated reporting mechanism with a standardized set of data elements such as participant demographics, types of services and benefits received, and performance outcomes. The new report formatting allows for increased report-level validation measures that ensure reliability and accuracy in what is reported. The 2010 TAPR operates in “real time,” with a format that tracks individuals consistently on a quarterly basis from the point at which their TAA eligibility is established, through the employment outcomes after they exit the program.

Much of the new data collected is now available on the ETA website, including state specific data, at <http://www.doleta.gov/tradeact/StatMap.cfm>.

#### *Participant Profile on New Participants in FY 2010*

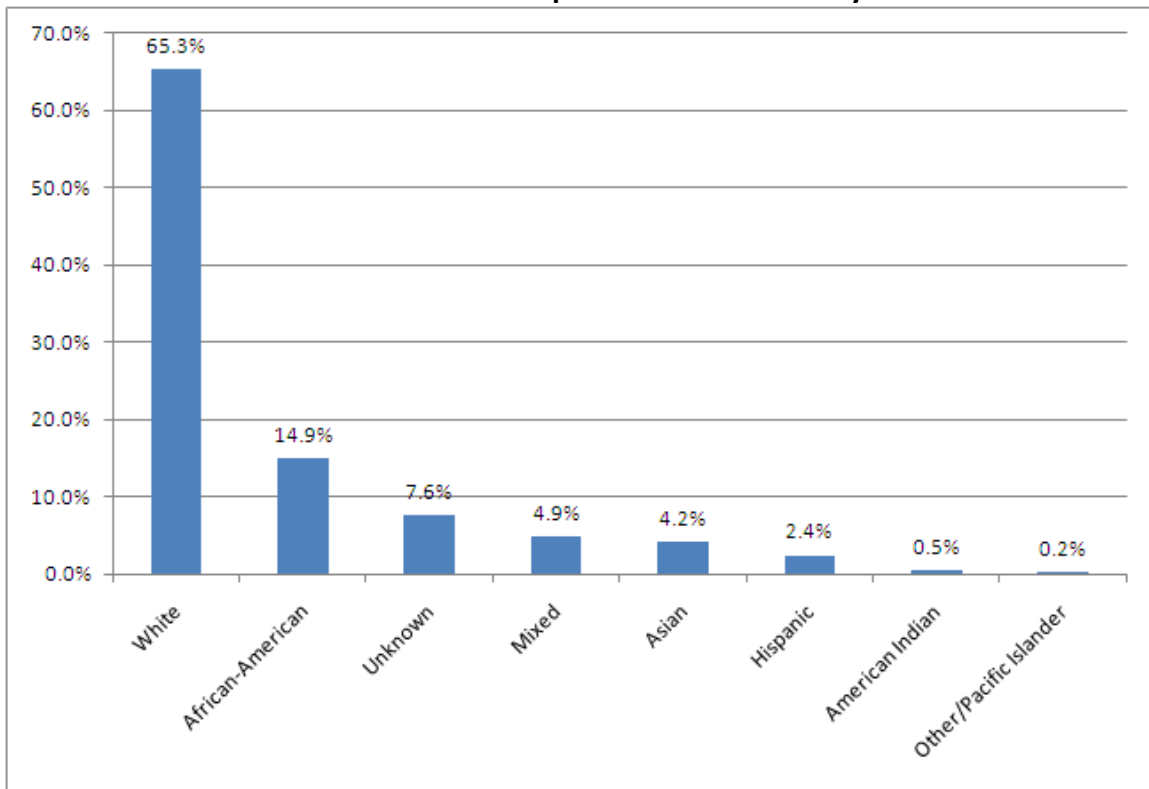
Because the percentages of TAA participant information for FY 2010 provided in this section concern participants who entered the program in 2010, they predominantly represent participants served under the TGAAA program. The typical TAA participant who enrolled between October 1, 2009 and September 30, 2010 was a white male, 46 years old, had a high school diploma or equivalent, and had held his previous employment for an average of 144 months (12 years) before separation. Comparable numbers reported in FY 2009 (taken from program exiters between July 1, 2007 and June, 30, 2008) do not reflect any change in terms of the age, gender or race of TAA participants, but the tenure of their pre-separation employment in 2010 increased by 1.4 years compared to the 2009 average.

**FY 2010 TAA Participant Profile**

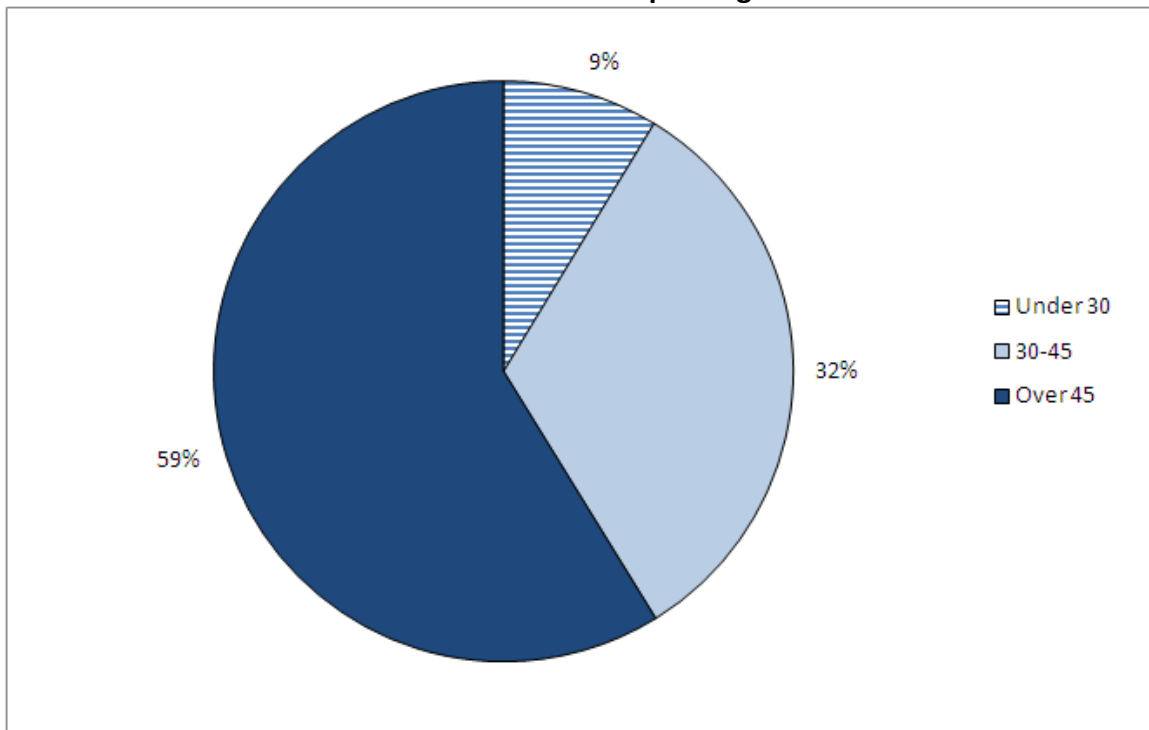
Participant Description	FY 2009 (Average)	FY 2010 (Average)
Gender	Male	Male
Race	White	White
Education	High School Diploma or GED	High School Diploma or GED
Age	45	46
Tenure of Trade-Affected Employment	126 months (10.6 years)	144 months (12 years)

The tables below provide a more detailed breakout of the 2010 participant profile. The program demographic is about two-thirds white, with more than half of the total participants aged 45 or older, and more than two thirds with no post-secondary education, including at least 25 percent of total participants who have less than a high school diploma or equivalent.

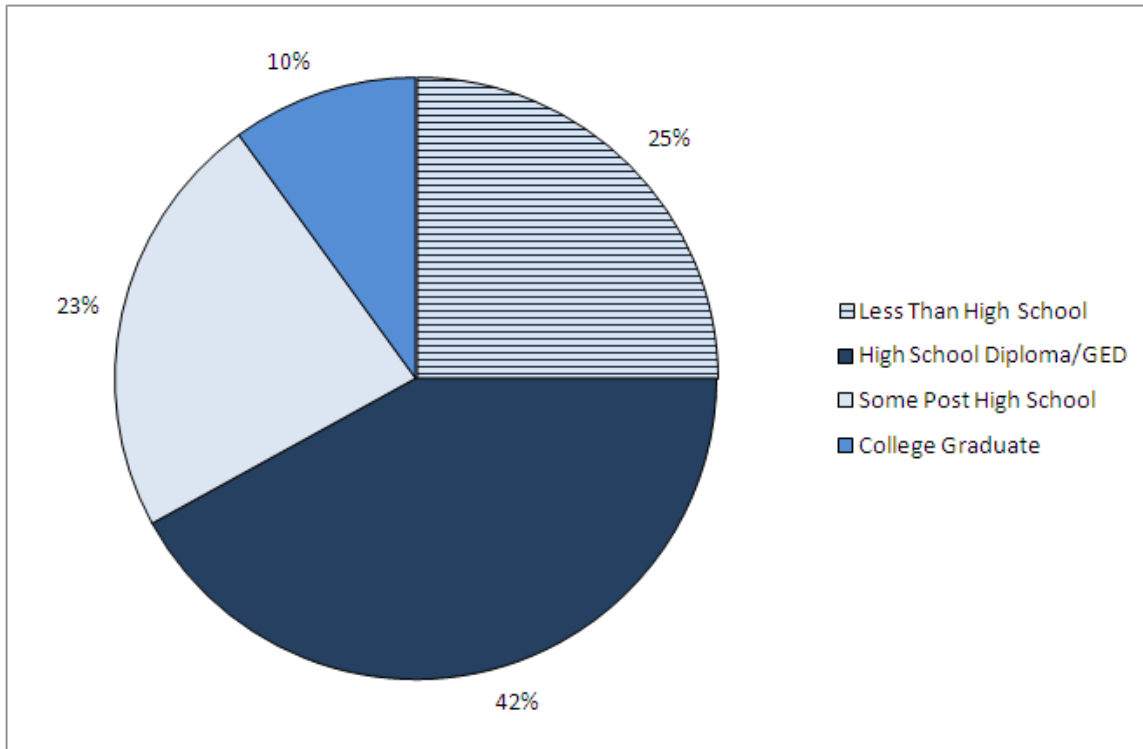
**FY 2010 TAA Participant Race and Ethnicity**



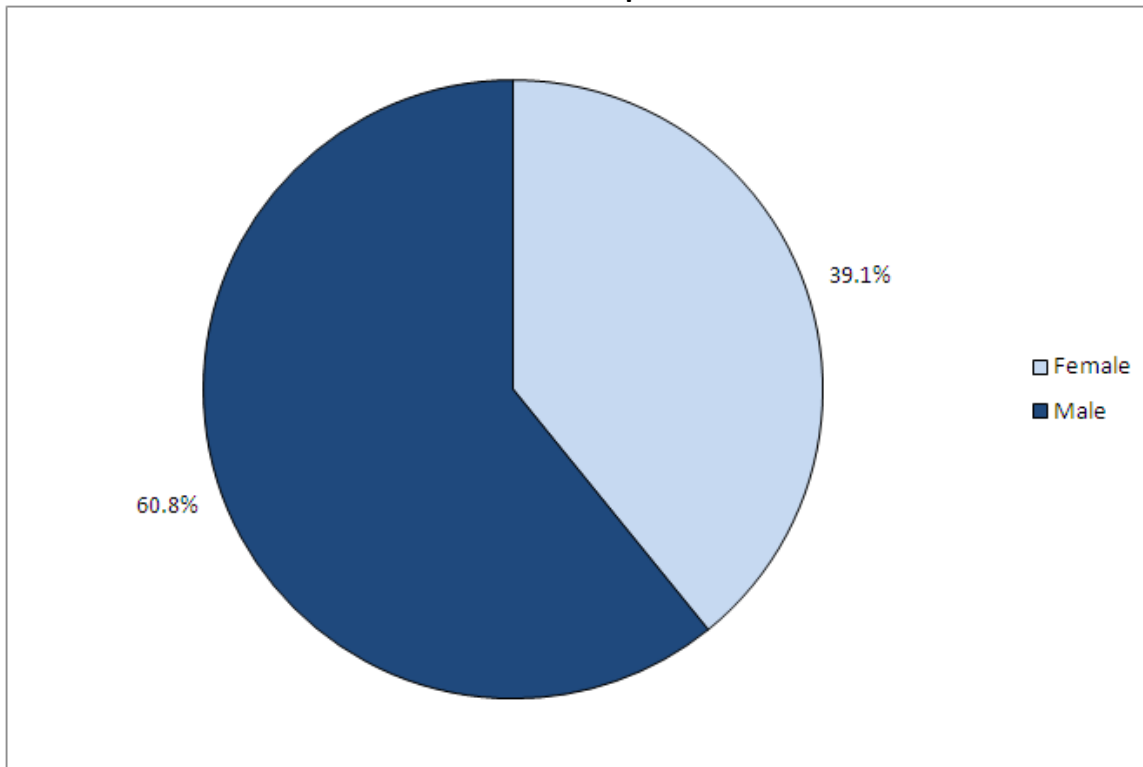
**FY 2010 TAA Participant Age**



**FY 2010 TAA Participant Education Levels**



**FY 2010 TAA Participant Gender**



### *Training Waivers Issued in FY 2010*

The Trade Act permits states to waive the statutory requirement that a worker be enrolled in training in order to be eligible for Basic TRA for any of six reasons, listed in the chart below as “training waiver types”. In a comparison of training waivers issued by states to TAA participants in FY 2008 through FY 2010, the total number of waivers peaked in 2009 and then declined in 2010.

**TAA Training Waivers**

Training Waiver Type	FY 2008	FY 2009	FY 2010
Recall	508	777	2,378
Marketable Skills	44,189	66,493	71,770
Retirement	2,696	3,272	3,602
Health	194	242	188
Enrollment Unavailable	9,415	15,635	7,198
Training Unavailable	3,498	7,770	4,828
Waivers Issued (Total)	60,500	94,189	89,964

### *Benefits and Services Received in FY 2010*

The data provided on benefits and services received in FY 2010 represent an equal mix of those served under the pre-TGAAA program and under the TGAAA program.

Of all TAA participants served in FY 2010, 43 percent were in training, 12 percent received TRA, and almost 2 percent received ATAA or RTAA. With regard to FY 2010 TRA recipients, it is important to note that the volume of TRA activity in most states for FY 2010 was greatly affected by the availability of extended unemployment insurance (UI) benefits. Because available UI benefits must be completely exhausted before TRA benefits can be accessed, the availability of extended UI has reduced or replaced TRA payments and is reflected in reduced TRA activity reported.

In FY 2010, for the first time, ETA began collecting information on Rapid Response services to individuals. Before this new collection, Rapid Response information was not systemized for collection in many states and accurate reporting requires feedback from participants at the point of initial participation. Therefore, many States had difficulty reporting on Rapid Response services in FY 2010. ETA is working with states to provide better tracking of Rapid Response information, and anticipates being able to report on this information in FY 2011.

### TAA Participation Numbers by Benefit or Service

Participant Benefit or Service	Number of Participants
TAA (All)	227,882
Case Management	136,386
Training	97,888
Occupational	87,862
Remedial	17,968
Prerequisite	454
Customized	161
On the Job	681
Distance Training	1102
Part Time Training	350
TRA	28,438
Basic	20,334
Additional	10130
Remedial	1,737

Both training recipients and TRA recipients may receive more than one relevant benefit sub-type (receipt of Basic TRA and Additional TRA, or participate in both remedial and occupational training) in a given period, so the sum of sub-types in the table above does not add up to the respective totals.

#### *Benefit and Service Information Collected at Program Exit*

The numbers in this section reflect those who exited the program between July 1, 2009 and June 30, 2010; participant exit dates are not available in the TAPR until 90 days after exit, and therefore data on participants exiting in the 4<sup>th</sup> quarter FY 2010 was not available at the time that this report was completed.

Of those exiting in this period, a total of 41% received training at some point in their participation. Of those that received training, 70% completed training, and 30% did not complete training.

The average duration of benefits and services must also be tracked at the point of exit and are provided below. Average duration of ATAA and RTAA benefits are not provided, as the often intermittent manner in which these benefits are distributed during the course of participation, does not allow for accurate duration tracking.



**Average Duration of TAA Benefits and Services**

Benefit or Service	Average Duration (Days)
TAA Participation (all services)	493
TAA Training	403
TAA Training (Completed)	428
TAA Training (Not Completed)	335
TRA	210
Case Management	413

*Performance Outcomes*

All information on performance outcomes pertains exclusively to participants served under the pre-TGAAA program. This is because there has not been sufficient time since the implementation of the 2009 amendments for TGAAA participants to enroll in the program, receive services, exit the program, and collect employment outcomes.

The 2010 TAPR was designed to allow for the collection of two sets of performance measures on employment outcomes, each of which contain the same three measures, but are tracked at different points in time: (1) Entered Employment Rate (EER), which tracks the percentage of those who obtained employment in a report quarter shortly after program exit (the reference quarter differs for the two measures); (2) Employment Retention Rate (ERR), which tracks whether those same employed individuals retained their job for an additional six months, and; (3) Average Earnings (AE), which represents total earnings in the second and third quarters after the exit quarter.

The difference between the two sets of measures relates to the quarters in which the performance is tracked. The first, known as Common Measures, is a consistent set of measures used to assess performance across all ETA workforce programs, and tracks the measures described above based on the first, second, and third quarter after program exit. The second set of measures, known as Trade Act Measures, corresponds to core indicators mandated by the TGAAA, and tracks the measures based on the second, third and fourth quarters after exit.

It is important to note that, for both sets of measures, only those who meet the standard of having entered employment in the initial quarter are considered when calculating the ERR and the AE.

Results for TAA performance outcomes under Common Measures are provided below as compared to those achieved by dislocated workers served under the Workforce Investment Act (WIA in table below). The table reflects Common Measures outcomes achieved by those that exited the program between January 1, 2009 and December 31, 2009 for EER, and July 1, 2008 and June 30, 2009.

**PY 2010 Common Measures Performance Results**

Measure	TAA Performance Results	WIA Performance Results
Entered Employment Rate	58%	51%
Retained Employment Rate	87%	80%
Average Earnings	\$14,906	\$16,786

The table below provides information on TAA performance results under Trade Act Measures. For these measures, the EER provided in this report corresponds to those who exited the program between October 1, 2008 and September 30, 2009, while the ERR and the AE represent results for those who exited between April 1, 2008 and March 31, 2009.

**PY 2010 Trade Act Measures Performance Results**

Measure	TAA Performance Results
Entered Employment Rate	59%
Retained Employment Rate	81%
Average Earnings	\$14,696

The information below provides information on the industry sector of reemployment for pre-TGAAA program participants who entered employment in the second quarter after program exit. It is important to note that this is a new data element that states were first required to collect by the TGAAA, so this information was only provided for about 15 percent of data records.

**Top Five Industry Sectors of Reemployment for Pre-TGAAA Program Participants**

Industry Sector of Reemployment	Total Count (Percentage of Total)
Manufacturing	2,225 (30%)
Administrative and Support and Waste Management and Remediation Services	1,112 (15%)
Health Care and Social Assistance	980 (13%)
Retail Trade	780 (10%)
Educational Services	348 (5%)

**Recommendations**

The expansions to the TAA program that were contained in the TGAAA are set to expire on December 31, 2010. Since its inception, the expanded program has assisted more than 155,000 Americans who may have otherwise been ineligible. Allowing the expanded program to expire could limit many trade-impacted workers' access to support and training. ETA recommends the expansion in the TGAAA program be continued without change beyond December 31, 2010.