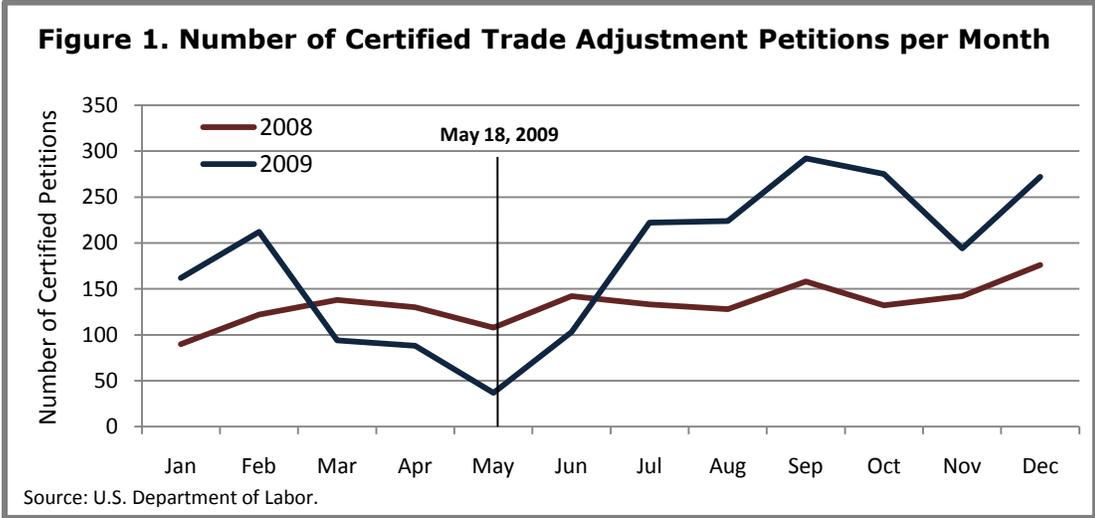




Trade Adjustment Assistance Certifications Increasing Under 2009 Amendments: Congress and US Department of Labor Action Needed to Fulfill Program’s Potential

The Trade Adjustment Assistance (TAA) program assists some workers who lose their jobs due to trade-related layoffs. To gain eligibility for TAA, a petition for certification is filed with the U.S. Department of Labor covering a particular worksite affected by job loss. If the Labor Department finds that trade impacts did contribute importantly to job losses, the affected workforce is certified for TAA and gains eligibility for enhanced retraining and income support. Between 2001 and 2008, 1.3 million workers were covered by TAA certifications, although a much smaller number than this used TAA retraining benefits and income supports. For example, only 52,000 individuals completed some sort of TAA training in FY 2009 according to U.S. Department of Labor figures.



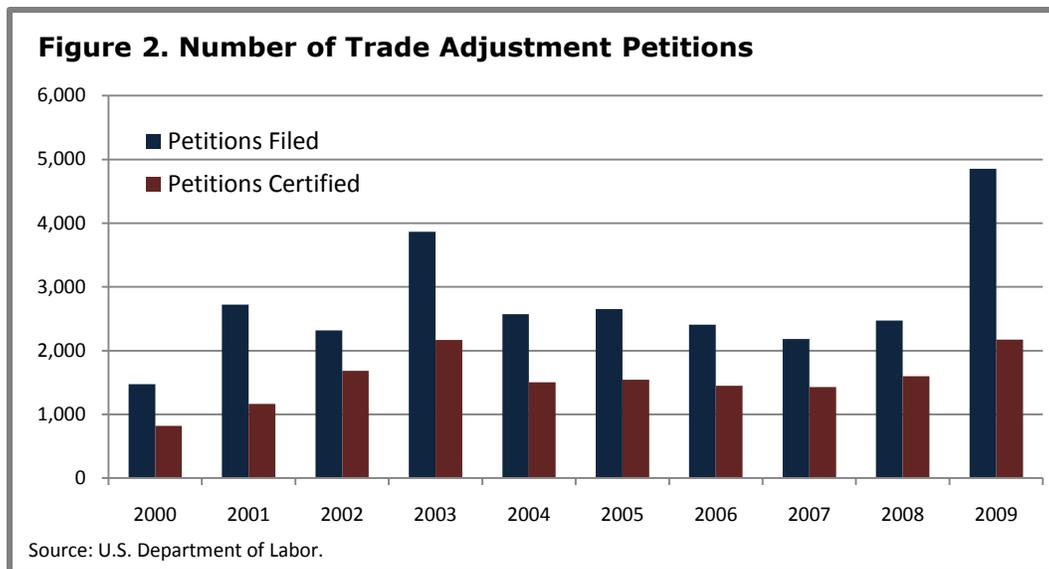
American Recovery and Reinvestment Act TAA Amendments

The American Recovery and Reinvestment Act (ARRA) made significant improvements to the TAA program. These changes took effect on May 18, 2009 and will expire on December 31, 2010 unless extended by Congress. Highlights of “new” TAA include:

- Expanded certification rules to cover workers whose firms shifted jobs to any foreign country, and added workers in the service industry and public sector for the first time,
- Expanded the Health Coverage Tax Credit to cover 80 percent of monthly insurance premiums,
- Increased the maximum duration of Trade Readjustment Allowances—cash payments for workers enrolled in training—from 130 to 156 weeks,
- Nearly doubled the amount of training funds to \$575 million a year.

Significant Jump in TAA Petitions and Certifications

Combined with the significant job losses in this recession, ARRA’s amendments have been associated with a dramatic jump in both TAA petitions and TAA certifications in recent months. Figure 1 shows monthly numbers of certified TAA petitions in 2009. Compared to 2008, the overall number of monthly petitions fell leading up to the May 18, 2009 implementation of ARRA, but then increased sharply over the following months. (This dip and subsequent sudden rise surrounding May 18 resulted from a withdrawal of petitions filed prior to the effective date of the 2009 TAA amendments and the re-filing of many of those petitions.)



Numbers of TAA petitions and certifications have increased since the passage of the 2009 TAA amendments. Nationwide, 4851 Trade Adjustment Assistance petitions were filed in 2009—a 96 percent increase in number of petitions over 2008 and a 122 percent increase over 2007 (see Figure 2). Throughout 2009, the U.S. Department of Labor certified 2175 petitions covering over 240,714 workers. In comparison, in 2008 there were 1599 TAA certifications.

Examining just the time period between the effective date of the 2009 TAA amendments (May 18, 2009), and the most recent data available from U.S. Department of Labor online (May 8, 2010), there have been 4469 petitions filed under the “new” TAA program, with 2507 of those certified for TAA eligibility. This figure represents a significant expansion of TAA activity.

Delays in TAA Certification and Processing of Petitions

Congress has mandated prompt consideration of TAA eligibility petitions by U.S. Department of Labor. Unfortunately, increased petitions for TAA have been accompanied by significant increases in delays in processing TAA petitions before U.S. Department of Labor. According to estimates by NELP from TAA data, the average processing time for TAA petitions has increased from 37 days in 2008 to over 100 days in 2009. Due in part to increased processing times and sheer volumes of petitions, the percentage of petitions certified declined in 2009 as compared to 2008. However, it is likely that a significant number of pending petitions filed in 2009 will end up being certified in 2010. Nonetheless, significant delays in certification create obstacles to effectively enrolling workers in TAA retraining.

TAA in Midwest States

NELP carries out a number of activities focused on TAA in the Midwest. Six Great Lakes states (Michigan, Indiana, Illinois, Ohio, Wisconsin and Minnesota) accounted for nearly three out of ten certified petitions (631 petitions) and one-third of covered workers (80,402 workers) in 2009. These states also experienced larger-than-average increases in the number of petitions filed and processing times since the start of the recession at the end of 2007.

Economic Adjustment Initiative

The National Employment Law Project (NELP) responds to unemployment and economic dislocation by working to restore the promise of economic opportunity in the 21st century economy. Since 2006, NELP's **Economic Adjustment Initiative** team has focused upon improving access to TAA benefits, especially in certain key Midwest states impacted by automotive job losses. Working with stakeholders and agencies, NELP has conducted outreach and advocacy to make sure that more TAA petitions are filed and that better implementation happens once petitions are certified by U.S. Department of Labor.

TAA Actions Needed

In order to fulfill the positive potential of the 2009 amendments to TAA to assist dislocated workers, further actions are needed:

- 1) Congress must extend the effective date of all Recovery Act TAA amendments prior to their expiration on December 31, 2010 while maintaining TAA training levels.
- 2) U.S. Department of Labor must process TAA petitions more promptly.