



Legislative Bulletin.....October 31, 2007

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H.R. 3920—Amendment to the Trade and Globalization Assistance Act

H.R. 3920, the Trade and Globalization Assistance Act (sponsored by Rep. Charlie Rangel, D-NY), is scheduled to be considered on the House floor on Wednesday, October 31, 2007, subject to a structured rule ([H.Res. 781](#)), self-executing (i.e. automatically passing) one amendment (the text of H.R. 3796 (the Early Warning and Health Care for Workers Affected by Globalization Act, sponsored by Rep. George Miller) and making in order one other amendment, debatable for 60 minutes.

The rule waives all points of order against consideration of the bill, except those regarding PAYGO and earmarks, waives all points of order against the bill itself—except the earmarks rule—and allows the Chair to postpone consideration of the legislation at any time during its consideration. The rule allows one motion to recommit with or without instructions.

Note: For a summary of the underlying bill, as well as H.R. 3796, see a separate RSC document released this morning.

RSC Staff Contact: Paul Teller; paul.teller@mail.house.gov; 202-226-9718

AMENDMENT MADE IN ORDER UNDER THE RULE

McCrery (R-LA). Amendment in the Nature of a Substitute. Highlights of the 346-page Republican substitute are as follows:

- Reauthorizes the Trade Adjustment Assistance (TAA) programs for workers, firms, and farmers for five years.
- Keeps authorizations for TAA for workers at current levels.
- Increases authorizations for TAA for firms from \$16 million a year to \$19 million a year thru FY2012.
- Reauthorizes the TAA for Farmers program through September 30, 2012 (set to expire at the end of this calendar year) at \$81 million for the nine-month period beginning on January 1, 2008, and \$90 million for each of fiscal years 2009 through 2012.
- Offers incentive payments to states (up to 5% of their TAA allotments) that do not use all of their TAA funds yet still meet or exceed the newly established TAA performance standards.

- Restructures TAA to retain current two years of income support for TAA for workers program participants who remain unemployed and train full-time, but also allows, in certain circumstances, two years of income support for those who work part-time and train part-time.
- Creates “New Economy Scholarships” of up to \$8,000 per TAA participant that offer a choice of when they can be used over a four-year period on a range of training/ education programs, even if the participant becomes reemployed (*NOTE: TAA training is currently available for about two years*).
- Authorizes \$250 million over five years for new capacity building grants for community colleges and other training providers to offer enhanced training to more TAA participants.
- Makes apprenticeship programs and training programs that lead to a license, certificate, or community college degree and are linked to a high-demand occupation, eligible under TAA training assistance.
- Enables a TAA participant to begin job training prior to actual layoff.
- Allows a TAA participant to start a job search sooner while receiving income support, without also having to be in job training or to obtain a training waiver.
- Phases out Alternative TAA (the existing wage insurance program for older workers) and replaces it with a transitional wage supplement available to all TAA participants (regardless of age) who become reemployed for at least 30 hours per week at low wages (defined as up to federal or state minimum wage plus \$2.40). Such wage supplement workers would be allowed to obtain the Health Coverage Tax Credit and TAA training.
- Increases the federal share of monthly TAA participant premiums for the Health Coverage Tax Credit (HCTC) from 65% today to 70% (as opposed to 85% in the base bill) and continues HCTC.
- Expands the criteria for a group of workers to be certified for TAA to include:
 - workers at “downstream” producers that are secondarily affected by imports or shifts in production to more countries (not just Canada and Mexico);
 - workers laid off due to a trade impact on an intangible product (such as a music download) produced by their firm and sent electronically to customers;
 - contract and leased workers under operational control of a firm producing an article.
- Establishes performance accountability measures for evaluating the performance of the TAA for workers and firms programs and their results for participants.
- Allows states to apply for waivers of unemployment compensation program rules to be able to design more flexible benefits, including wage insurance and other approaches, and allows states to implement demonstration projects to test new ideas for improving unemployment benefit programs.
- Expands the new markets tax credit by \$500 million to benefit TAA firms and workers in local communities impacted by trade, globalization, and other causes of job loss. (*The existing new markets tax credit provides tax incentives for companies to invest their capital in economically disadvantaged areas.*)
- Extends Workforce Investment Act (WIA) employment and training programs, creates a consolidated funding stream, and increases state and local flexibility for such programs.
- Provides for the collection of Unemployment Insurance overpayments and delinquent employer contributions through the garnishment of federal income tax refunds.
- Increases the estimated tax payments that certain corporations must remit to the federal government. Under current law, corporations with assets of at least \$1 billion must make estimated tax payments for the third quarter of 2012 that are 115% of the estimated payment

otherwise due. The payment due for the fourth quarter of 2012 is reduced accordingly so that the corporations pay no net increase in estimated payments in 2012. The Republican amendment in the nature of a substitute would increase this 115% figure to 127.5%. NOTE: This provision is merely a revenue timing shift, a budget gimmick used to comply with the House's PAYGO rules.

- Extends the authority to collect customs user fees from October 21, 2014 to February 17, 2015.
- Shifts Medicare Part A and B payments due to doctors by September 30, 2012 to October 1, 2012. NOTE: This provision is merely a spending timing shift, a budget gimmick used to comply with the House's PAYGO rules.

NOTE: Reports indicate that this Republican amendment in the nature of a substitute is revenue neutral over ten years. There is no indication that the substitute contains any tax increases to reach such neutrality.
