

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3920
OFFERED BY MR. RANGEL OF NEW YORK

Strike all after the enacting clause and insert the
following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Trade and Globalization Assistance Act of 2007”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Subtitle A—Trade Adjustment Assistance for Service Sector Workers; Expansion of Covered Shifts in Production; Expansion of Downstream Secondary Worker Eligibility

Sec. 101. Extension of trade adjustment assistance to services sector; shifts in production.

Sec. 102. Determinations by Secretary of Labor.

Sec. 103. Monitoring and reporting relating to service sector.

Subtitle B—Industry-Wide Trade Adjustment Assistance

Sec. 111. Industry-wide determinations.

Sec. 112. Notifications regarding affirmative determinations and safeguards.

Sec. 113. Notification to Secretary of Commerce.

Sec. 114. Restriction on eligibility for program benefits.

Subtitle C—Program Benefits

Sec. 121. Qualifying requirements for workers.

Sec. 122. Weekly amounts.

Sec. 123. Limitations on trade readjustment allowances; allowances for extended training and breaks in training.

Sec. 124. Special rules for calculation of eligibility period.

2

- Sec. 125. Application of State laws and regulations on good cause for waiver of time limits or late filing of claims.
- Sec. 126. Employment and case management services.
- Sec. 127. Training.
- Sec. 128. Prerequisite education; approved training programs.
- Sec. 129. Eligibility for unemployment insurance and program benefits while in training.
- Sec. 130. Administrative expenses and employment and case management services.
- Sec. 131. Job search and relocation allowances.

Subtitle D—Health Care Provisions

- Sec. 141. Modifications relating health insurance assistance for certain TAA and PBGC pension recipients.

Subtitle E—Wage Insurance

- Sec. 151. Reemployment trade adjustment assistance program for older workers.

Subtitle F—Other Matters

- Sec. 161. Agreements with States.
- Sec. 162. Fraud and recovery of overpayments.
- Sec. 163. Technical amendments.
- Sec. 164. Office of Trade Adjustment Assistance; Deputy Assistant Secretary for Trade Adjustment Assistance.
- Sec. 165. Collection of data and reports; information to workers.
- Sec. 166. Extension of TAA program.
- Sec. 167. Judicial review.
- Sec. 168. Liberal construction of certification of workers and firms.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

- Sec. 201. Trade adjustment assistance for firms.
- Sec. 202. Extension of authorization of trade adjustment assistance for firms.
- Sec. 203. Industry-wide programs for the development of new services.

TITLE III—UNEMPLOYMENT INSURANCE

- Sec. 301. Short title.
- Sec. 302. Special transfers to State accounts in the Unemployment Trust Fund.
- Sec. 303. Extension of FUTA tax.

TITLE IV—MANUFACTURING REDEVELOPMENT ZONES

- Sec. 401. Manufacturing redevelopment zones.
- Sec. 402. Delay in application of worldwide interest allocation.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

1 (1) Since January 2001, the United States
2 economy has lost nearly 3 million jobs in the manu-
3 facturing sector alone.

4 (2) Today, over 7.1 million people in the United
5 States are unemployed, and nearly 1.2 million of
6 those individuals have been unemployed for 6
7 months or longer.

8 (3) While the United States manufacturing sec-
9 tor has been the hardest hit by increased unemploy-
10 ment, the United States service sector has also seen
11 declines as jobs have moved to low-cost labor mar-
12 kets, such as China, India, and the Philippines.

13 (4) Promoting the economic growth and com-
14 petitiveness of the United States requires—

15 (A) opening substantial new markets for
16 United States goods, services, and farm prod-
17 ucts;

18 (B) building a strong framework of rules
19 for international trade to level the playing field
20 for United States workers and businesses in all
21 sectors of the economy; and

22 (C) helping those affected by globalization
23 overcome its challenges and succeed.

24 (5) Congress created the trade adjustment as-
25 sistance program in 1962 to provide United States

1 workers who lose their jobs because of foreign com-
2 petition with government-funded training and associ-
3 ated income support to enable such workers to tran-
4 sition to new, good-paying jobs.

5 (6) Unfortunately, the trade adjustment assist-
6 ance program has not kept pace with globalization
7 and it is failing to ensure that all workers adversely
8 affected by trade receive the assistance they need
9 and deserve.

10 (7) Workers in the service sector, who make up
11 approximately 80 percent of the United States work-
12 force, are ineligible for trade adjustment assistance.

13 (8) Inadequate funding for training leaves
14 many dislocated workers without access to the re-
15 training they need to find good-paying jobs.

16 (9) Unnecessary, unduly burdensome, and con-
17 fusing program eligibility rules prevent workers from
18 gaining access to benefits for which they are eligible.

19 (10) The health coverage tax credit suffers
20 from fundamental flaws and, as a result, the credit
21 is not being used by the vast majority of people who
22 are eligible for it, despite a clear need for access to
23 affordable health care.

24 (11) To meet the challenges posed by
25 globalization and to preserve the critical role that

1 United States workers play in promoting the
2 strength and prosperity of the United States, the
3 trade adjustment assistance program must be re-
4 formed.

5 **TITLE I—TRADE ADJUSTMENT**
6 **ASSISTANCE FOR WORKERS**
7 **Subtitle A—Trade Adjustment As-**
8 **sistance for Service Sector**
9 **Workers; Expansion of Covered**
10 **Shifts in Production; Expansion**
11 **of Downstream Secondary**
12 **Worker Eligibility**

13 **SEC. 101. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**
14 **TO SERVICES SECTOR; SHIFTS IN PRODUC-**
15 **TION.**

16 (a) PETITIONS.—Section 221(a) of the Trade Act of
17 1974 (19 U.S.C. 2271(a)(1)) is amended—

18 (1) in paragraph (1)—

19 (A) in the matter preceding subparagraph

20 (A)—

21 (i) by striking “Secretary” and insert-
22 ing “Secretary of Labor”; and

23 (ii) by striking “or subdivision” and
24 inserting (or subdivision) or public agency
25 (or subdivision); and

1 (B) in subparagraph (A), by striking
2 “firm)” and inserting “firm, and workers in a
3 service sector firm or subdivision of a service
4 sector firm, or public agency)”; and

5 (2) in paragraph (3), by inserting “and on the
6 Website of the Department of Labor” after “Federal
7 Register”.

8 (b) GROUP ELIGIBILITY REQUIREMENTS.—

9 (1) IN GENERAL.—Subsection (a) of section
10 222 of the Trade Act of 1974 (19 U.S.C. 2272) is
11 amended—

12 (A) in the matter preceding paragraph (1),
13 by striking “(including workers in any agricul-
14 tural firm or subdivision of an agricultural
15 firm)” and inserting “(other than workers in a
16 public agency)”; and

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)(ii), by strik-
19 ing “like or directly competitive with arti-
20 cles produced” and inserting “or services
21 like or directly competitive with articles
22 produced or services provided”; and

23 (ii) by striking subparagraph (B) and
24 inserting the following:

1 “(B) (i) there has been a shift, by such
2 workers’ firm or subdivision to a foreign coun-
3 try, of production of articles, or in provision of
4 services, like or directly competitive with arti-
5 cles that are produced, or services that are pro-
6 vided, by such firm or subdivision; or

7 “(ii) such workers’ firm or subdivision has
8 obtained or is likely to obtain articles or serv-
9 ices described in clause (i) from a foreign coun-
10 try.”.

11 (2) WORKERS IN PUBLIC AGENCIES.—Such sec-
12 tion is further amended—

13 (A) by redesignating subsections (b) and
14 (c) as subsections (c) and (d), respectively; and

15 (B) by inserting after subsection (a) the
16 following:

17 “(b) ADVERSELY AFFECTED WORKERS IN PUBLIC
18 AGENCIES.— A group of workers in a public agency shall
19 be certified by the Secretary as eligible to apply for adjust-
20 ment assistance under this chapter pursuant to a petition
21 filed under section 221 if the Secretary determines that—

22 “(1) a significant number or proportion of the
23 workers in the public agency, or an appropriate sub-
24 division of the public agency, have become totally or

1 partially separated, or are threatened to become to-
2 tally or partially separated; and

3 “(2) the public agency or subdivision has ob-
4 tained or is likely to obtain from a foreign country
5 services that would otherwise be provided by such
6 agency or subdivision.”.

7 (3) ADVERSELY AFFECTED SECONDARY WORK-
8 ERS.—Subsection (c) of such section (as redesign-
9 nated by paragraph (2)(A) of this subsection) is
10 amended—

11 (A) in the matter preceding paragraph (1),
12 by striking “agricultural firm)” and inserting
13 “agricultural firm, and workers in a service sec-
14 tor firm or subdivision of a service sector
15 firm)”;

16 (B) in paragraph (2)—

17 (i) by inserting “or service” after “re-
18 lated to the article”; and

19 (ii) by striking “(c)(3)” and inserting
20 “(d)(3)”; and

21 (C) in paragraph (3)(A), by striking “it
22 supplied to the firm (or subdivision)” and in-
23 serting “or services it supplied to the firm (or
24 subdivision)”.

1 (4) DEFINITIONS AND ELIGIBILITY.—Sub-
2 section (d) of such section (as redesignated by para-
3 graph (2)(A) of this subsection) is amended—

4 (A) by striking “(d) For purposes of this
5 section—” and inserting “(d) DEFINITIONS
6 AND ELIGIBILITY.—For purposes of this sec-
7 tion:”

8 (B) in paragraph (3), to read as follows:

9 “(3) DOWNSTREAM PRODUCER.—The term
10 ‘downstream producer’ means a firm that performs
11 additional, value-added production processes or serv-
12 ices for a firm or subdivision, including a firm that
13 performs final assembly, finishing, testing, pack-
14 aging, or maintenance or transportation services di-
15 rectly for another firm (or subdivision), for articles
16 or services that were the basis for a certification of
17 eligibility under subsection (a) of a group of workers
18 employed by such other firm (or subdivision).”;

19 (C) in paragraph (4)—

20 (i) by striking “for articles” and in-
21 serting “, or services, used in the produc-
22 tion of articles or in the provision of serv-
23 ices, as the case may be,”; and

24 (ii) by inserting “(or subdivision)”
25 after “such other firm”; and

1 (D) by adding at the end the following:

2 “(5) FIRMS IDENTIFIED BY ITC.—A petition
3 filed under section 221 covering a group of workers
4 from a firm or appropriate subdivision of a firm
5 meets the requirements of subsection (a) if the firm
6 is identified by the International Trade Commission
7 under subsection (c), (d), or (e) of section 224.”.

8 (5) BASIS FOR SECRETARY’S DETERMINA-
9 TIONS.—Such section is further amended by adding
10 at the end the following:

11 “(e) BASIS FOR SECRETARY’S DETERMINATIONS.—

12 “(1) INCREASED IMPORTS OF SERVICES.—For
13 purposes of subsection (a)(2)(A)(ii), the Secretary
14 may determine that increased imports of like or di-
15 rectly competitive services exist if the customers of
16 the workers’ firm or subdivision accounting for not
17 less than 20 percent of the sales of the workers’ firm
18 or subdivision (as the case may be) certify to the
19 Secretary that such customers are obtaining such
20 services from a foreign country.

21 “(2) SHIFT IN PRODUCTION; OBTAINING ARTI-
22 CLES OR SERVICES ABROAD.—For purposes of sub-
23 sections (a)(2)(B) and (b)(2), the Secretary may de-
24 termine that there has been a shift in production of
25 articles or provision of services, or that a workers’

1 firm or public agency, or subdivision thereof, has ob-
2 tained or is likely to obtain like or directly competi-
3 tive articles or services from a foreign country, based
4 on a certification thereof from the workers' firm,
5 public agency, or subdivision (as the case may be).

6 “(3) PROCESS AND METHODS FOR OBTAINING
7 CERTIFICATIONS.—

8 “(A) REQUEST BY PETITIONER.—If re-
9 quested by the petitioner, the Secretary shall
10 obtain the certifications under paragraphs (1)
11 and (2) in such manner as the Secretary deter-
12 mines is appropriate, including by issuing sub-
13 poenas under section 249 when necessary.

14 “(B) PROTECTION OF CONFIDENTIAL IN-
15 FORMATION.—The Secretary may not release
16 information obtained under subparagraph (A)
17 that the Secretary considers to be confidential
18 business information unless the party submit-
19 ting the confidential business information had
20 notice, at the time of submission, that such in-
21 formation would be released by the Secretary,
22 or such party subsequently consents to the re-
23 lease of the information. Nothing in this sub-
24 paragraph shall be construed to prohibit a court
25 from requiring the submission of such confiden-

1 tial business information to the court in cam-
2 era.”.

3 (c) DEFINITIONS.—Section 247 of the Trade Act of
4 1974 (19 U.S.C. 2319) is amended—

5 (1) in the matter preceding paragraph (1), by
6 striking “chapter—” and inserting “chapter:”;

7 (2) in paragraph (1)—

8 (A) by inserting “, or employment in a
9 public agency or appropriate subdivision of a
10 public agency,” after “of a firm”; and

11 (B) by striking “such firm or subdivision”
12 inserting “such firm (or subdivision) or public
13 agency (or subdivision)”;

14 (3) in paragraph (2), by striking “employ-
15 ment—” and all that follows and inserting “employ-
16 ment has been totally or partially separated from
17 such employment.”;

18 (4) by redesignating paragraphs (8) through
19 (17) as paragraphs (10) through (19), respectively;
20 and

21 (5) by inserting after paragraph (6) the fol-
22 lowing:

23 “(7) The term ‘public agency’ means a depart-
24 ment or agency of a State or local government or of
25 the Federal Government.

1 “(8) The term ‘service sector firm’ means an
2 entity engaged in the business of providing services.

3 “(9) Except as otherwise provided, the term
4 ‘Secretary’ means the Secretary of Labor.”.

5 **SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.**

6 Section 223 of the Trade Act of 1974 (19 U.S.C.
7 2273) is amended—

8 (1) in subsection (b), by striking “before his ap-
9 plication” and all that follows and inserting “before
10 the worker’s application under section 231 occurred
11 more than one year before the date of the petition
12 on which such certification was granted.”;

13 (2) in subsection (c), by striking “together with
14 his reasons” and inserting “and on the Website of
15 the Department of Labor, together with the Sec-
16 retary’s reasons”; and

17 (3) in subsection (d), by striking “together with
18 his reasons” and inserting “and on the Website of
19 the Department of Labor, together with the Sec-
20 retary’s reasons”.

21 **SEC. 103. MONITORING AND REPORTING RELATING TO**
22 **SERVICE SECTOR.**

23 (a) IN GENERAL.—Section 282 of the Trade Act of
24 1974 (19 U.S.C. 2393) is amended—

1 (1) in the heading, by striking “**SYSTEM**” and
2 inserting “**AND DATA COLLECTION**”;

3 (2) in the first sentence—

4 (A) by striking “The Secretary” and in-
5 serting “(a) MONITORING PROGRAMS.—The
6 Secretary”;

7 (B) by inserting “and services” after “im-
8 ports of articles”;

9 (C) by inserting “and domestic provision of
10 services” after “domestic production”;

11 (D) by inserting “or providing services”
12 after “producing articles”; and

13 (E) by inserting “, or provision of serv-
14 ices,” after “changes in production”; and

15 (3) by adding at the end the following:

16 “(b) COLLECTION OF DATA AND REPORTS ON SERV-
17 ICE SECTOR.—

18 “(1) SECRETARY OF LABOR.—Not later than
19 90 days after the date of the enactment of the Trade
20 and Globalization Assistance Act of 2007, the Sec-
21 retary of Labor shall implement a system to collect
22 data on adversely affected workers employed in the
23 service sector that includes the number of workers
24 by State, industry, and cause of dislocation of each
25 worker.

1 “(2) SECRETARY OF COMMERCE.—Not later
2 than 1 year after such date of enactment, the Sec-
3 retary of Commerce shall, in consultation with the
4 Secretary of Labor, conduct a study and report to
5 Congress on ways to improve the timeliness and cov-
6 erage of data on trade in services, including methods
7 to identify increased imports due to the relocation of
8 United States firms to foreign countries, and in-
9 creased imports due to United States firms obtain-
10 ing services from firms in foreign countries.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 for title II of the Trade Act of 1974 is amended by strik-
13 ing the item relating to section 282 and inserting the fol-
14 lowing:

 “Sec. 282. Trade monitoring and data collection.”.

15 **Subtitle B—Industry-Wide Trade** 16 **Adjustment Assistance**

17 **SEC. 111. INDUSTRY-WIDE DETERMINATIONS.**

18 (a) IN GENERAL.—Subchapter A of chapter 2 of title
19 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
20 amended by adding after section 223 the following:

21 **“SEC. 223A. INDUSTRY-WIDE DETERMINATIONS.**

22 “(a) INVESTIGATION.—Upon the request of the
23 President or the United States Trade Representative, or
24 the resolution of either the Committee on Finance of the
25 Senate or the Committee on Ways and Means of the

1 House of Representatives, with respect to a domestic in-
2 dustry, or if the Secretary certifies groups of workers in
3 a domestic industry under section 223(a) pursuant to 3
4 petitions within a 180-day period, the Secretary shall
5 promptly initiate an investigation under this chapter to
6 determine the eligibility for adjustment assistance of—

7 “(1) all workers in that domestic industry; or

8 “(2) all workers in that domestic industry in a
9 specific geographic region.

10 “(b) DETERMINATION REGARDING INDUSTRY-WIDE
11 CERTIFICATION.—

12 “(1) DETERMINATION.—The Secretary shall,
13 not later than 60 days after receiving a request or
14 resolution described in subsection (a) with respect to
15 a domestic industry, or making the third certifi-
16 cation of workers in a domestic industry described in
17 subsection (a), as the case may be—

18 “(A) determine whether all adversely af-
19 fected workers in that domestic industry are eli-
20 gible to apply for assistance under this sub-
21 chapter, in accordance with the criteria estab-
22 lished under subsection (e); or

23 “(B) determine whether all adversely af-
24 fected workers in that domestic industry in a
25 specific geographic region are eligible to apply

1 for assistance under this subchapter, in accord-
2 ance with the criteria established under sub-
3 section (e).

4 “(c) IDENTIFICATION AND CERTIFICATION.—

5 “(1) AFFIRMATIVE DETERMINATION.—

6 “(A) IN GENERAL.—Upon making an af-
7 firmative determination under subsection (b),
8 the Secretary shall—

9 “(i) identify all firms operating within
10 the domestic industry described in para-
11 graph (1) or (2) or subsection (b) that are
12 covered by the determination;

13 “(ii) certify all workers of such firms
14 as a group of workers eligible to apply for
15 assistance under this subchapter, without
16 any other determination of whether such
17 group meets the requirements of section
18 222.

19 “(B) OTHER REQUIREMENTS.—

20 “(i) IN GENERAL.—Each certification
21 under subparagraph (A)(ii) shall specify
22 the date on which the total or partial sepa-
23 ration began or threatened to begin, except
24 that—

1 “(I) with respect to a request or
2 a resolution under subsection (a),
3 such date may not be a date that pre-
4 cedes one year before the date on
5 which the Secretary receives the re-
6 quest or resolution, as the case may
7 be; and

8 “(II) with respect to the third
9 certification of workers in a domestic
10 industry described in subsection (a),
11 such date may not be a date that pre-
12 cedes one year before the date on
13 which the Secretary certifies the 3d
14 such petition.

15 “(ii) INAPPLICABILITY.—A certifi-
16 cation under subparagraph (A)(ii) shall not
17 apply to any worker whose last total or
18 partial separation from the firm occurred
19 before the applicable date specified in
20 clause (i).

21 “(iii) TRAINING BEFORE SEPARA-
22 TION.—Any worker covered by a certifi-
23 cation under subparagraph (A)(ii) shall be
24 deemed to be an adversely affected worker
25 for purposes of receiving training under

1 section 236, without regard to whether the
2 worker has been totally or partially sepa-
3 rated from employment.

4 “(2) NEGATIVE DETERMINATION.—If the Sec-
5 retary makes a negative determination under sub-
6 section (b), the Secretary shall notify the Committee
7 on Ways and Means of the House of Representatives
8 and the Committee on Finance of the Senate of the
9 reasons for the Secretary’s determination.

10 “(3) PUBLICATION.—Upon making a deter-
11 mination under subsection (b), the Secretary shall
12 promptly publish a summary of the determination in
13 the Federal Register and on the Website of the De-
14 partment of Labor, together with the reasons for
15 making such determination.

16 “(4) TERMINATION.—Whenever the Secretary
17 determines that a certification under paragraph (1)
18 is no longer warranted, the Secretary shall terminate
19 the certification and promptly have notice of the ter-
20 mination published in the Federal Register and on
21 the Website of the Department of Labor, together
22 with the reasons for making such determination
23 under this paragraph. Such termination shall apply
24 only with respect to total or partial separations oc-

1 curring after the termination date specified by the
2 Secretary.

3 “(d) OUTREACH.—Upon making a certification under
4 subsection (c)(1) of eligibility for adjustment assistance
5 under this chapter of a group of workers or all workers
6 in a domestic industry, the Secretary shall notify each
7 Governor of a State in which the workers are located of
8 the certification.

9 “(e) REGULATIONS.—The Secretary shall, not later
10 than 1 year after the date of the enactment of the Trade
11 and Globalization Assistance Act of 2007, issue regula-
12 tions for making determinations under this section, includ-
13 ing criteria for making such determinations. The Sec-
14 retary shall develop such regulations in consultation with
15 the Committee on Ways and Means of the House of Rep-
16 resentatives and the Committee on Finance of the Senate,
17 and the Secretary shall submit such regulations to each
18 such committee at least 60 days before the regulations go
19 into effect.

20 “(f) DOMESTIC INDUSTRY DEFINED.—In this sec-
21 tion, the term ‘domestic industry’ means an industry in
22 the United States, as that industry is defined by the North
23 American Industry Classification System.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 for title II of the Trade Act of 1974 is amended by insert-
3 ing after the item relating to section 223 the following:

“Sec. 223A. Industry-wide determinations.”.

4 (c) CONFORMING AMENDMENTS.—Chapter 2 of title
5 II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is
6 amended—

7 (1) in section 225—

8 (A) in subsection (a), in the last sentence
9 by inserting “or 223A” after “223”; and

10 (B) in subsection (b)—

11 (i) in paragraph (1), by striking “sub-
12 chapter A of this chapter” and inserting
13 “this subchapter”; and

14 (ii) in paragraph (2), by striking
15 “subchapter A” and inserting “this sub-
16 chapter”; and

17 (2) in section 231—

18 (A) in subsection (a)—

19 (i) in the matter preceding paragraph
20 (1), by striking “more than 60 days” and
21 all that follows through “section 221” and
22 inserting “on or after the date of such cer-
23 tification”; and

24 (ii) in paragraph (1)—

1 (I) in subparagraph (B), by in-
2 serting “or 223A (as the case may
3 be)” after “223”; and

4 (II) in subparagraph (C), by in-
5 serting “or 223A(c)(4), as the case
6 may be” after “223(d)”; and

7 (B) in subsection (b)—

8 (i) by striking paragraph (2); and

9 (ii) in paragraph (1)—

10 (I) by striking “(1)”;

11 (II) by redesignating subpara-
12 graphs (A) and (B) as paragraph (1)
13 and (2), respectively;

14 (III) by redesignating clauses (i)
15 and (ii) as subparagraphs (A) and
16 (B), respectively; and

17 (IV) by redesignating subclauses
18 (I) and (II) as clauses (i) and (ii), re-
19 spectively.

20 **SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DE-**
21 **TERMINATIONS AND SAFEGUARDS.**

22 (a) IN GENERAL.—Section 224 of the Trade Act of
23 1974 (19 U.S.C. 2274) is amended—

24 (1) in the heading, by striking “**STUDY BY**
25 **SECRETARY OF LABOR WHEN INTERNATIONAL**

1 **TRADE COMMISSION BEGINS INVESTIGATION”**

2 and inserting “**STUDY AND NOTIFICATIONS RE-**

3 **GARDING TRADE REMEDY DETERMINATIONS”**;

4 (2) in subsection (a), by striking “Whenever”

5 and inserting “STUDY OF DOMESTIC INDUSTRY.—

6 Whenever”;

7 (3) in subsection (b)—

8 (A) by striking “The report” and inserting

9 “REPORT BY THE SECRETARY.—The report”;

10 (B) by striking “his report” and inserting

11 “the Secretary’s report”; and

12 (C) by inserting “and on the Website of

13 the Department of Labor” after “Federal Reg-

14 ister”; and

15 (4) by adding at the end the following:

16 “(c) NOTIFICATIONS REGARDING AFFIRMATIVE

17 SAFEGUARD DETERMINATIONS UNDER SECTION 202.—

18 Upon issuing an affirmative finding regarding serious in-

19 jury, or the threat thereof, to a domestic industry, under

20 section 202, the Commission shall notify the Secretary and

21 the Secretary of Commerce of that finding and the identity

22 of the firms which comprise the domestic industry.

23 “(d) NOTIFICATIONS REGARDING AFFIRMATIVE DE-

24 TERMINATIONS UNDER SECTION 421.—Upon issuing an

25 affirmative determination of market disruption, or the

1 threat thereof, under section 421, the Commission shall
2 notify the Secretary and the Secretary of Commerce of
3 that determination and the identity of the firms which
4 comprise the affected domestic industry.

5 “(e) NOTIFICATIONS REGARDING AFFIRMATIVE DE-
6 TERMINATIONS UNDER TARIFF ACT OF 1930.—Upon
7 issuing a final affirmative determination of injury, or the
8 threat thereof, under section 705 or section 735 of the
9 Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the
10 Commission shall notify the Secretary and the Secretary
11 of Commerce of that determination and the identity of the
12 firms which comprise the affected domestic industry.

13 “(f) NOTIFICATION OF INDUSTRY AND WORKER
14 REPRESENTATIVES.—Whenever the Commission makes a
15 notification under subsection (c), (d), or (e)—

16 “(1) the Secretary shall—

17 “(A) notify the firms identified by the
18 Commission as comprising the domestic indus-
19 try affected, and any certified or recognized
20 union or other duly authorized representatives
21 of the workers in such industry, of the allow-
22 ances, training, employment services, and other
23 benefits available under this chapter, and the
24 procedures under this chapter for filing peti-
25 tions and applying for benefits;

1 “(B) notify the Governor of each State in
2 which one or more firms described in subpara-
3 graph (A) are located of the Commission’s de-
4 termination and the identity of the firms; and

5 “(C) provide the necessary assistance to
6 employers, groups of workers, and any certified
7 or recognized union or other duly authorized
8 representatives of such workers to file petitions
9 under section 221; and

10 “(2) the Secretary of Commerce shall—

11 “(A) notify the firms identified by the
12 Commission as comprising the domestic indus-
13 try affected of the benefits under chapter 3 and
14 the procedures under such chapter for filing pe-
15 titions and applying for benefits; and

16 “(B) provide the necessary assistance to
17 firms to file petitions under section 251.”.

18 (b) CLERICAL AMENDMENT.—The table of contents
19 for title II of the Trade Act of 1974 is amended by strik-
20 ing the item relating to section 224 and inserting the fol-
21 lowing:

“Sec. 224. Study and notifications regarding trade remedy determinations.”.

22 **SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.**

23 Section 225 of the Trade Act of 1974 (19 U.S.C.
24 2275) is amended by adding at the end the following:

1 “(c) Upon issuing a certification under section 223
2 or 223A, the Secretary shall notify the Secretary of Com-
3 merce of the identify of the firm or firms that are covered
4 by the certification.”.

5 **SEC. 114. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
6 **BENEFITS.**

7 (a) IN GENERAL.—Subchapter A of chapter 2 of title
8 II of the trade Act of 1974 (19 U.S.C. 2271 et seq.) is
9 amended by adding at the end the following new section:
10 **“SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM**
11 **BENEFITS.**

12 “No benefit allowances, training, or other employ-
13 ment services may be provided under this chapter to a
14 worker who is an alien unless the alien is an individual
15 lawfully admitted for permanent residence to the United
16 States, is lawfully present in the United States, or is per-
17 manently residing in the United States under color of
18 law.”.

19 (b) CONFORMING AMENDMENT.—The table of con-
20 tents of the Trade Act of 1974 is amended by adding after
21 the item relating to section 225 the following:

“226. Restriction on eligibility for program benefits.”.

1 **Subtitle C—Program Benefits**

2 **SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.**

3 (a) IN GENERAL.—Subsection (a)(5)(A)(ii) of section
4 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amend-
5 ed—

6 (1) by striking subclauses (I) and (II) and in-
7 serting the following:

8 “(I) in the case of a worker whose
9 most recent total separation from adversely
10 affected employment that meets the re-
11 quirements of paragraphs (1) and (2) oc-
12 curs after the date on which the Secretary
13 issues a certification covering the worker,
14 the last day of the 26th week after such
15 total separation,

16 “(II) in the case of a worker whose
17 most recent total separation from adversely
18 affected employment that meets the re-
19 quirements of paragraphs (1) and (2) oc-
20 curs before the date on which the Sec-
21 retary issues a certification covering the
22 worker, the last day of the 26th week after
23 the date of such certification,”; and

24 (2) in subclause (III)—

1 (A) by striking “later of the dates specified
2 in subclause (I) or (II)” and inserting “date
3 specified in subclause (I) or (II), as the case
4 may be”; and

5 (B) by striking “or” at the end;

6 (3) by redesignating subclause (IV) as sub-
7 clause (V); and

8 (4) by inserting after subclause (III) the fol-
9 lowing:

10 “(IV) the last day of such period that
11 the Secretary determines appropriate, if
12 the failure to enroll is due to the failure to
13 provide the worker with timely information
14 regarding the date specified in subclause
15 (I) or (II), as the case may be, or”.

16 (b) WAIVERS OF TRAINING REQUIREMENTS.—Sub-
17 section (c) of such section 231 is amended—

18 (1) in paragraph (1)(B)—

19 (A) by striking “The worker possesses”
20 and inserting

21 “(i) IN GENERAL.—The worker pos-
22 sesses”;

23 (B) by moving the remaining text 2 ems to
24 the right; and

25 (C) by adding at the end the following:

1 “(ii) MARKETABLE SKILLS DE-
2 FINED.—For purposes of clause (i),
3 the term ‘marketable skills’ may in-
4 clude the possession of a postgraduate
5 degree from an institution of higher
6 education (as defined in section
7 101(a) of the Higher Education Act
8 of 1965) or equivalent foreign institu-
9 tion, or the possession of an equiva-
10 lent postgraduate certification in a
11 specialized field.”; and

12 (2) in paragraph (3)—

13 (A) in subparagraph (A), by striking “may
14 authorize” and inserting “shall authorize”;

15 (B) by redesignating subparagraph (B) as
16 subparagraph (C); and

17 (C) by inserting after subparagraph (A)
18 the following:

19 “(B) DURATION OF WAIVERS.—A waiver
20 issued under paragraph (1) by a cooperating
21 State shall be effective for not more than 3
22 months after the date on which the waiver is
23 issued, except that the State, upon reviewing
24 the waiver, may extend the waiver for an addi-
25 tional period of not more than 3 months if the

1 State determines that the waiver should be
2 maintained.”.

3 (c) DETERMINATIONS OF ELIGIBILITY BY STATE EM-
4 PLOYEES APPOINTED ON MERIT BASIS.—Such section
5 231 is further amended by adding at the end the following:

6 “(d) DETERMINATIONS OF ELIGIBILITY BY STATE
7 EMPLOYEES APPOINTED ON MERIT BASIS.—All deter-
8 minations of eligibility for trade readjustment allowances
9 under this part shall be made by employees of the State
10 who are appointed on a merit basis.”.

11 (d) CONFORMING AMENDMENT.—Section 233 of the
12 Trade Act of 1974 (19 U.S.C. 2293) is amended by strik-
13 ing subsection (b) and redesignating subsections (c)
14 through (g) as subsections (b) through (f), respectively.

15 **SEC. 122. WEEKLY AMOUNTS.**

16 (a) IN GENERAL.—Section 232 of the Trade Act of
17 1974 (19 U.S.C. 2292) is amended—

18 (1) in subsection (a)—

19 (A) by striking “subsections (b) and (c)”
20 and inserting “subsections (b), (c), and (d)”;

21 (B) by striking “total unemployment” the
22 first place it appears and inserting “unemploy-
23 ment”; and

24 (C) in paragraph (2), by adding at the end
25 before the period the following: “, except that

1 in the case of an adversely affected worker who
2 is participating in full-time training under this
3 chapter, such income shall not include earnings
4 from work for such week that are equal to or
5 less than the most recent weekly benefit amount
6 of the unemployment insurance payable to the
7 worker for a week of total unemployment pre-
8 ceding the worker's first exhaustion of unem-
9 ployment insurance (as determined for purposes
10 of section 231(a)(3)(B))”;

11 (2) by redesignating subsections (b) and (c) as
12 subsections (c) and (d), respectively; and

13 (3) by inserting after subsection (a) the fol-
14 lowing:

15 “(b)(1) Notwithstanding section 231(a)(3)(B), if an
16 adversely affected worker who is participating in training
17 qualifies for unemployment insurance under State law,
18 based in whole or in part upon part-time or short-term
19 employment following approval of the worker's initial
20 trade readjustment allowance application under section
21 231(a), then for any week for which unemployment insur-
22 ance is payable and for which the worker would otherwise
23 be entitled to a trade readjustment allowance based upon
24 the certification under section 223, the worker shall, in
25 addition to any such unemployment insurance, be paid a

1 trade readjustment allowance in the amount described in
2 paragraph (2).

3 “(2) The trade readjustment allowance payable under
4 paragraph (1) shall be equal to the weekly benefit amount
5 of the unemployment insurance upon which the worker’s
6 trade readjustment allowance was initially determined
7 under subsection (a), reduced by—

8 “(A) the amount of the unemployment insurance ben-
9 efit payable to such worker for that week of unemployment
10 for which a trade readjustment allowance is payable under
11 paragraph (1); and

12 “(B) the amounts described in paragraphs (1) and
13 (2) of subsection (a).”.

14 (b) CONFORMING AMENDMENTS.—Section 233 of the
15 Trade Act of 1974 (19 U.S.C. 2293) is amended—

16 (1) in subsection (a)(1), by striking “section
17 232(a)” and inserting “subsections (a) and (b) of
18 section 232”; and

19 (2) in subsection (c), by striking “section
20 232(b)” and inserting “section 232(c)”.

21 **SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOW-**
22 **ANCES; ALLOWANCES FOR EXTENDED TRAIN-**
23 **ING AND BREAKS IN TRAINING.**

24 Section 233(a) of the Trade Act of 1974 (19 U.S.C.
25 2293(a)) is amended—

- 1 (1) in paragraph (2), by inserting “under para-
2 graph (1)” after “trade readjustment allowance”;
3 (2) in paragraph (3)—
4 (A) in the matter preceding subparagraph
5 (A)—
6 (i) by striking “52 additional weeks”
7 and inserting “78 additional weeks”; and
8 (ii) by striking “52-week” and insert-
9 ing “91-week”; and
10 (B) in the matter following subparagraph
11 (B), by striking “52-week” and inserting “91-
12 week”.

13 **SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGI-**
14 **BILITY PERIOD.**

15 Section 233 of the Trade Act of 1974 (19 U.S.C.
16 2293) is amended by adding at the end the following:

17 “(g) SPECIAL RULE FOR CALCULATING SEPARA-
18 TION.—Notwithstanding any other provision of this chap-
19 ter, any period during which a judicial or administrative
20 appeal is pending with respect to the denial by the Sec-
21 retary of a petition under section 223 shall not be counted
22 for purposes of calculating the period of separation under
23 subsection (a)(2) or for purposes of calculating time peri-
24 ods specified in section 231(a)(5)(A).

1 “(h) SPECIAL RULE FOR JUSTIFIABLE CAUSE.—The
2 Secretary may extend the periods during which trade read-
3 justment allowances are payable to an adversely affected
4 worker under paragraphs (2) and (3) of subsection (a) and
5 under subsection (f) (but not the maximum amounts of
6 such allowances that are payable under this section), if
7 the Secretary determines that there is justifiable cause for
8 such an extension, such as the failure to provide the work-
9 er with timely information, delays in certification due to
10 administrative reconsideration or judicial review, or justifi-
11 able breaks in training that exceed the period allowable
12 under subsection (e).”.

13 **SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS**
14 **ON GOOD CAUSE FOR WAIVER OF TIME LIM-**
15 **ITS OR LATE FILING OF CLAIMS.**

16 Section 234 of the Trade Act of 1974 (19 U.S.C.
17 2294) is amended—

18 (1) by striking “Except where inconsistent” and
19 inserting “(a) IN GENERAL.—Except where incon-
20 sistent”; and

21 (2) by adding at the end the following:

22 “(b) STATE LAWS AND REGULATIONS ON GOOD
23 CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING
24 OF CLAIMS.—Any law or regulation of a cooperating State
25 under section 239 that allows for a waiver for good cause

1 of any time limit, including a waiver for good cause to
2 allow the late filing of any claim, for trade readjustment
3 allowances or other adjustment assistance under this
4 chapter shall, in the administration of the program by the
5 State under this chapter, apply to the applicable time limi-
6 tation referred to or specified in this chapter or any regu-
7 lation prescribed to carry out this chapter.”.

8 **SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERV-**
9 **ICES.**

10 (a) IN GENERAL.—Section 235 of the Trade Act of
11 1974 (19 U.S.C. 2295) is amended to read as follows:

12 **“SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERV-**
13 **ICES.**

14 “The Secretary shall provide, directly or through
15 agreements with States under section 239, to adversely
16 affected workers covered by a certification under sub-
17 chapter A of this chapter the following employment and
18 case management services:

19 “(1) Comprehensive and specialized assessment
20 of skill levels and service needs, including through—

21 “(A) diagnostic testing and use of other
22 assessment tools; and

23 “(B) in-depth interviewing and evaluation
24 to identify employment barriers and appropriate
25 employment goals.

1 “(2) Development of an individual employment
2 plan to identify employment goals and objectives,
3 and appropriate training to achieve those goals and
4 objectives.

5 “(3) Information on training available in local
6 and regional areas, information on individual coun-
7 seling to determine which training is suitable train-
8 ing, and information on how to apply for such train-
9 ing.

10 “(4) Information on how to apply for financial
11 aid, including referring workers to educational op-
12 portunity centers under section 402F of the Higher
13 Education Act of 1965, where applicable, and noti-
14 fying workers that the workers may ask financial aid
15 administrators at institutions of higher education to
16 allow use of their current year income in the finan-
17 cial aid process.

18 “(5) Short-term prevocational services, includ-
19 ing development of learning skills, communications
20 skills, interviewing skills, punctuality, personal main-
21 tenance skills, and professional conduct to prepare
22 individuals for employment or training.

23 “(6) Individual career counseling, including job
24 search and placement counseling, during the period
25 in which the individual is receiving a trade adjust-

1 ment allowance or training under this chapter, and
2 for purposes of job placement after receiving such
3 training.

4 “(7) Provision of employment statistics infor-
5 mation, including the provision of accurate informa-
6 tion relating to local, regional, and national labor
7 market areas, including—

8 “(A) job vacancy listings in such labor
9 market areas;

10 “(B) information on jobs skills necessary
11 to obtain jobs identified in job vacancy listings
12 described in subparagraph (A);

13 “(C) information relating to local occupa-
14 tions that are in demand and earnings potential
15 of such occupations; and

16 “(D) skills requirements for local occupa-
17 tions described in subparagraph (C).

18 “(8) Supportive services, including services re-
19 lating to child care, transportation, dependent care,
20 housing assistance, and need-related payments that
21 are necessary to enable an individual to participate
22 in training.”.

23 (b) CLERICAL AMENDMENT.—The item relating to
24 section 235 in the table of contents for title II of the
25 Trade Act of 1974 is amended to read as follows:

“235. Employment and case management services.”.

1 **SEC. 127. TRAINING.**

2 (a) IN GENERAL.—Subsection (a)(1) of section 236
3 of the Trade Act of 1974 (19 U.S.C. 2296) is amended
4 by striking the last sentence.

5 (b) FUNDING.—Subsection (a)(2) of such section is
6 amended—

7 (1) in subparagraph (A), to read as follows:

8 “(A) The total amount of payments that may be
9 made under paragraph (1) for each of the fiscal years
10 2008 and 2009 shall not exceed \$440,000,000. The total
11 amount of payments that may be made under paragraph
12 (1) for fiscal year 2010 and each subsequent fiscal year
13 shall not exceed \$660,000,000.”; and

14 (2) by striking subparagraph (B) and inserting
15 the following:

16 “(B) Not later than 120 days after the date of the
17 enactment of the Trade and Globalization Assistance Act
18 of 2007, the Secretary shall establish and implement pro-
19 cedures for the allocation among the States in each fiscal
20 year of funds available to pay the costs of training for
21 workers under this section. The Secretary shall, at least
22 60 days before the date on which the procedures described
23 in this subparagraph are first implemented, consult with
24 the Committee on Ways and Means of the House of Rep-
25 resentatives and the Committee on Finance of the Senate
26 with respect to such procedures.

1 “(C) In establishing and implementing the proce-
2 dures under subparagraph (B), the Secretary shall—

3 “(i) provide for at least 3 distributions of funds
4 available for training in the fiscal year, and, in the
5 first such distribution, disburse not more than 50
6 percent of the total amount of funds available for
7 training in that fiscal year;

8 “(ii) consider using a broad range of factors for
9 the allocation of training funds distributed to States
10 for each fiscal year, including factors such as—

11 “(I) the number of workers certified under
12 sections 223 and 223A in the preceding fiscal
13 year;

14 “(II) the total number of workers certified
15 under sections 223 and 223A that are enrolled
16 in training approved under this section;

17 “(III) the minimum level of funding nec-
18 essary to provide training approved under this
19 section; and

20 “(IV) notifications under the Worker Ad-
21 justment and Retraining Notification Act or
22 other layoff notifications;

23 “(iii) after the initial distribution of training
24 funds to States at the beginning of each fiscal year,
25 provide for subsequent distributions of training

1 funds remaining, based on the factors described in
2 clause (ii) (but, in the case of the factor described
3 in subclause (I) of clause (ii), based on data from
4 the preceding 2 fiscal quarters) if a State requests
5 the distribution of the remaining funds;

6 “(iv) ensure that any final distribution of funds
7 during a fiscal year is made not later than July 1
8 of that fiscal year; and

9 “(v) develop an explicit policy for re-capture
10 and redistribution of training funds, to the extent
11 such re-capture and redistribution of training funds
12 is necessary.”.

13 (c) DETERMINATIONS REGARDING TRAINING.—Sub-
14 section (a)(9) of such section is amended—

15 (1) by striking “The Secretary” and inserting
16 “(A) Subject to subparagraph (B), the Secretary”;
17 and

18 (2) by adding at the end the following:

19 “(B)(i) In determining under paragraph (1)(E)
20 whether a worker is qualified to undertake and complete
21 training, the Secretary may not disallow training for a pe-
22 riod longer than the worker’s period of eligibility for trade
23 readjustment allowances under part I if the worker dem-
24 onstrates that the worker has sufficient financial resources
25 to complete the training after the expiration of the work-

1 er's period of eligibility for such trade readjustment allow-
2 ances.

3 “(ii) In determining the reasonable cost of training
4 under paragraph (1)(F) with respect to a worker, the Sec-
5 retary may consider whether other public or private funds
6 are reasonably available to the worker, except that the
7 Secretary may not require a worker to obtain such funds
8 as a condition of approval of training under paragraph
9 (1).”.

10 (d) DETERMINATIONS OF ELIGIBILITY BY STATE
11 EMPLOYEES APPOINTED ON MERIT BASIS.—Such section
12 is further amended—

13 (1) by redesignating subsections (e) and (f) as
14 subsections (f) and (g), respectively; and

15 (2) by inserting after subsection (d) the fol-
16 lowing:

17 “(e) DETERMINATIONS OF ELIGIBILITY BY STATE
18 EMPLOYEES APPOINTED ON MERIT BASIS.—All deter-
19 minations of eligibility for training under this section shall
20 be made by employees of the State who are appointed on
21 a merit basis.”.

22 (e) GAO STUDY AND REPORT.—

23 (1) STUDY.—The Comptroller General of the
24 United States shall conduct a study of the proce-
25 dures for the allocation of training funds for workers

1 under subparagraphs (B) and (C) of section
2 236(a)(2) of the Trade Act of 1974 (19 U.S.C.
3 2296), as added by subsection (a) of this section,
4 that are established and implemented by the Sec-
5 retary of Labor pursuant to such section. In car-
6 rying out the study, the Comptroller General shall
7 examine the overall adequacy of funding for training
8 for workers by State and the effectiveness of the
9 procedures for allocating training funds between
10 States and among workers.

11 (2) REPORTS.—

12 (A) INTERIM REPORT.—The Comptroller
13 General of the United States shall submit to
14 the Committee on Ways and Means of the
15 House of Representatives and the Committee
16 on Finance of the Senate an interim report that
17 contains the results of the study conducted
18 under paragraph (1) for the first fiscal year
19 with respect to which the procedures described
20 in paragraph (1) are implemented.

21 (B) FINAL REPORT.—The Comptroller
22 General of the United States shall submit to
23 the Committee on Ways and Means of the
24 House of Representatives and the Committee
25 on Finance of the Senate a final report that

1 contains the results of the study conducted
2 under paragraph (1) for the first three fiscal
3 years with respect to which the procedures de-
4 scribed in paragraph (1) are implemented.

5 **SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAIN-**
6 **ING PROGRAMS.**

7 (a) IN GENERAL.—Section 236(a)(5) of the Trade
8 Act of 1974 (19 U.S.C. 2296(a)(5)) is amended—

9 (1) in subparagraph (A)—

10 (A) by striking “and” at the end of clause

11 (i);

12 (B) by adding “and” at the end of clause

13 (ii); and

14 (C) by inserting after clause (ii) the fol-
15 lowing:

16 “(iii) apprenticeship programs registered
17 under the National Apprenticeship Act (29
18 U.S.C. 50 et seq.),”;

19 (2) by redesignating subparagraphs (E) and
20 (F) as subparagraphs (F) and (G), respectively;

21 (3) by inserting after subparagraph (D) the fol-
22 lowing:

23 “(E) any program of prerequisite education or
24 coursework required to enroll in training that may
25 be approved under this section,”;

1 (4) in subparagraph (F)(ii), as redesignated by
2 paragraph (1), by striking “and” at the end;

3 (5) in subparagraph (G), as redesignated by
4 paragraph (1), by striking the period at the end and
5 inserting “, and”; and

6 (6) by adding at the end the following:

7 “(H) any training program or coursework at an
8 accredited institution of higher education (as defined
9 in section 101(a) of the Higher Education Act of
10 1965), including a training program or coursework
11 for the purpose of—

12 “(i) obtaining a degree or certification; or

13 “(ii) completing a degree or certification
14 that the worker had previously begun at an ac-
15 credited institution of higher education.

16 The Secretary may not limit approval of a training pro-
17 gram under paragraph (1) to a program provided pursu-
18 ant to title I of the Workforce Investment Act of 1998.”.

19 (b) CONFORMING AMENDMENTS.—Section 233 of the
20 Trade Act of 1974 (19 U.S.C. 2293) is amended—

21 (1) in subsection (a)(2), by inserting “pre-
22 requisite education or” after “requires a program
23 of”; and

1 (2) in subsection (f) (as redesignated by section
2 121(d) of this Act), by inserting “prerequisite edu-
3 cation or” after “includes a program of”.

4 **SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE**
5 **AND PROGRAM BENEFITS WHILE IN TRAIN-**
6 **ING.**

7 (a) IN GENERAL.—Section 236(d) of the Trade Act
8 of 1974 (19 U.S.C. 2296(d)) is amended to read as fol-
9 lows:

10 “(d) ELIGIBILITY.—A worker may not be determined
11 to be ineligible or disqualified for unemployment insurance
12 or program benefits under this subchapter—

13 “(1) because the worker—

14 “(A) is enrolled in training approved under
15 subsection (a); or

16 “(B) left work—

17 “(i) that was not suitable employment
18 to enter such training; or

19 “(ii) that the worker engaged in on a
20 temporary basis during a break in such
21 training or a delay in the commencement
22 of such training; or

23 “(2) because the provisions of State law or Fed-
24 eral unemployment insurance law relating to avail-
25 ability for work, active search for work, or refusal to

1 accept work apply to a week of training approved
2 under subsection (a).”.

3 (b) DEFINITION.—Subchapter B of chapter 2 of title
4 II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.) is
5 amended—

6 (1) in section 233(d) (as redesignated by sec-
7 tion 121(d) of this Act), by inserting “suitable” be-
8 fore “on-the-job training”; and

9 (2) in section 236—

10 (A) by inserting “suitable” before “on-the-
11 job training” each place it appears; and

12 (B) by adding at the end the following:

13 “(h) SUITABLE ON-THE-JOB TRAINING.—For pur-
14 poses of this section, the term ‘suitable on-the-job train-
15 ing’ means on-the-job training—

16 “(1) that can reasonably be expected to lead to
17 suitable employment;

18 “(2) that is compatible with the skills of the
19 worker;

20 “(3) that—

21 “(A) involves a curriculum through which
22 the worker learns the skills necessary for the
23 job for which the worker is being trained; and

1 “(B) can be measured by benchmarks that
2 indicate that the worker is learning such skills;
3 and
4 “(4) that is certified by the State as an on-the-
5 job training program that meets the requirements of
6 paragraph (3).”.

7 **SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT**
8 **AND CASE MANAGEMENT SERVICES.**

9 (a) IN GENERAL.—Part II of subchapter B of chap-
10 ter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295
11 et seq.) is amended by inserting after section 236 the fol-
12 lowing:

13 **“SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE**
14 **EXPENSES AND EMPLOYMENT AND CASE**
15 **MANAGEMENT SERVICES.**

16 “(a) ADMINISTRATIVE EXPENSES.—

17 “(1) IN GENERAL.—The Secretary shall provide
18 to each State that receives a payment under section
19 236 for a fiscal year an additional payment for such
20 fiscal year in an amount that is not less than 15
21 percent of the amount of the payment under section
22 236.

23 “(2) USE OF FUNDS.—A State that receives an
24 additional payment under paragraph (1) shall use
25 the payment for administration of the trade adjust-

1 ment assistance for workers program under this
2 chapter, including for—

3 “(A) processing of waivers of training re-
4 quirements under section 231;

5 “(B) collecting of data required under this
6 chapter; and

7 “(C) providing services under section 235.

8 “(3) ADMINISTRATION REQUIREMENT.—Funds
9 provided to a State under this subsection for a fiscal
10 year that are in excess of the amount of funds pro-
11 vided to the State for administration of the trade
12 adjustment assistance for workers program under
13 this chapter for fiscal year 2007 may only be admin-
14 istered by employees of the State who are appointed
15 on a merit basis.

16 “(b) ADDITIONAL FUNDING FOR EMPLOYMENT AND
17 CASE MANAGEMENT SERVICES.—

18 “(1) IN GENERAL.—The Secretary shall provide
19 to each State that receives a payment under section
20 236 for a fiscal year an additional payment for such
21 fiscal year in an amount that is not less than .06
22 percent of the total amount of payments that may
23 be made in that fiscal year as described in section
24 236(a)(2).

1 “(2) USE OF FUNDS.—A State that receives an
2 additional payment under paragraph (1) shall use
3 the payment for providing services under section
4 235.

5 “(3) ADMINISTRATION REQUIREMENT.—Funds
6 provided to a State under this subsection may only
7 be administered by employees of the State who are
8 appointed on a merit basis.

9 “(c) FUNDING.—Funds provided to the States under
10 this section shall not be counted toward the limitation con-
11 tained in section 236(a)(2)(A).”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 for title II of the Trade Act of 1974 is amended by insert-
14 ing after the item relating to section 236 the following:

 “Sec. 236A. Additional payments for administrative expenses and employment
 and case management services.”.

15 **SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.**

16 (a) JOB SEARCH ALLOWANCES.—Section 237 of the
17 Trade Act of 1974 (19 U.S.C. 2297) is amended—

18 (1) in subsection (a)(2)(C)(ii), by striking “,
19 unless the worker received a waiver under section
20 231(c)”; and

21 (2) in subsection (b)—

22 (A) in paragraph (1), by striking “90 per-
23 cent of the cost of” and inserting “all”; and

1 (B) in paragraph (2), by striking “\$1,250”
2 and inserting “\$1,500”.

3 (b) RELOCATION ALLOWANCES.—Section 238 of the
4 Trade Act of 1974 (19 U.S.C. 2298) is amended—

5 (1) in subsection (a)(2)(E)(ii), by striking “,
6 unless the worker received a waiver under section
7 231(c)”; and

8 (2) in subsection (b)—

9 (A) in paragraph (1), by striking “90 per-
10 cent of the” and inserting “all”; and

11 (B) in paragraph (2), by striking “\$1,250”
12 and inserting “\$1,500”.

13 **Subtitle D—Health Care Provisions**

14 **SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE**

15 **ASSISTANCE FOR CERTAIN TAA AND PBGC**

16 **PENSION RECIPIENTS.**

17 (a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

18 (1) IN GENERAL.—Subsection (a) of section 35
19 of the Internal Revenue Code of 1986 is amended by
20 striking “65 percent” and inserting “85 percent”.

21 (2) CONFORMING AMENDMENT.—Subsection (b)
22 of section 7527 of such Code is amended by striking
23 “65 percent” and inserting “85 percent”.

24 (b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT
25 COMPENSATION AND NOT ENROLLED IN TRAINING PRO-

1 GRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section
2 35(c) of such Code is amended to read as follows:

3 “(2) ELIGIBLE TAA RECIPIENT.—The term ‘eli-
4 gible TAA recipient’ means, with respect to any
5 month, any individual who—

6 “(A) is receiving for any day of such
7 month a trade readjustment allowance under
8 chapter 2 of title II of the Trade Act of 1974,
9 or

10 “(B) who is receiving unemployment com-
11 pensation (as defined in section 85) for such
12 month and who would be eligible to receive such
13 allowance for such month if section 231 of such
14 Act were applied without regard to subsections
15 (a)(3)(B) and (a)(5) thereof.

16 An individual shall continue to be treated as an eli-
17 gible TAA recipient during the first month that such
18 individual would otherwise cease to be an eligible
19 TAA recipient by reason of the preceding sentence.”.

20 (c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE
21 RETROACTIVE TO TAA-RELATED LOSS OF EMPLOY-
22 MENT.—Subsection (c) of section 35 of such Code is
23 amended by adding at the end the following new para-
24 graph:

1 “(5) RETROACTIVE ELIGIBILITY FOR TAA RE-
2 CIPIENTS.—In the case of any individual who is an
3 eligible TAA recipient or eligible alternative TAA re-
4 cipient for any month, such individual shall be treat-
5 ed as an eligible individual for any month which pre-
6 cedes such month and which begins after the later
7 of—

8 “(A) the date of the separation from em-
9 ployment which gives rise to such individual
10 being an eligible TAA recipient or eligible alter-
11 native TAA recipient, or

12 “(B) December 31, 2007.”.

13 (d) CONTINUED QUALIFICATION OF FAMILY MEM-
14 BERS AFTER CERTAIN EVENTS.—

15 (1) IN GENERAL.—Subsection (g) of section 35
16 of such Code is amended by redesignating paragraph
17 (9) as paragraph (10) and inserting after paragraph
18 (8) the following new paragraph:

19 “(9) CONTINUED QUALIFICATION OF FAMILY
20 MEMBERS AFTER CERTAIN EVENTS.—

21 “(A) MEDICARE ELIGIBILITY.—In the case
22 of any month which would be an eligible cov-
23 erage month with respect to an eligible indi-
24 vidual but for subsection (f)(2)(A), such month
25 shall be treated as an eligible coverage month

1 with respect to such eligible individual solely for
2 purposes of determining the amount of the
3 credit under this section with respect to any
4 qualifying family members of such individual
5 (and any advance payment of such credit under
6 section 7527). This subparagraph shall only
7 apply with respect to the first 36 months after
8 such eligible individual is first entitled to the
9 benefits described in subsection (f)(2)(A).

10 “(B) DIVORCE.—In the case of the final-
11 ization of a divorce between an eligible indi-
12 vidual and such individual’s spouse, such spouse
13 shall be treated as an eligible individual for pur-
14 poses of this section and section 7527 for a pe-
15 riod of 36 months beginning with the date of
16 such finalization, except that the only qualifying
17 family members who may be taken into account
18 with respect to such spouse are those individ-
19 uals who were qualifying family members imme-
20 diately before such finalization.

21 “(C) DEATH.—In the case of the death of
22 an eligible individual—

23 “(i) any spouse of such individual (de-
24 termined at the time of such death) shall
25 be treated as an eligible individual for pur-

1 poses of this section and section 7527 for
2 a period of 36 months beginning with the
3 date of such death, except that the only
4 qualifying family members who may be
5 taken into account with respect to such
6 spouse are those individuals who were
7 qualifying family members immediately be-
8 fore such death, and

9 “(ii) any individual who was a quali-
10 fying family member of the decedent imme-
11 diately before such death (or, in the case
12 of an individual to whom paragraph (4)
13 applies, the taxpayer to whom the deduc-
14 tion under section 151 is allowable) shall
15 be treated as an eligible individual for pur-
16 poses of this section and section 7527 for
17 a period of 36 months beginning with the
18 date of such death, except that in deter-
19 mining the amount of such credit only
20 such qualifying family member may be
21 taken into account.”.

22 (2) CONFORMING AMENDMENT.—Section 173(f)
23 of the Workforce Investment Act of 1998 (29 U.S.C.
24 2918(f)) is amended by adding at the end the fol-
25 lowing:

1 “(8) CONTINUED QUALIFICATION OF FAMILY
2 MEMBERS AFTER CERTAIN EVENTS.—

3 “(A) MEDICARE ELIGIBILITY.—In the case
4 of any month which would be an eligible cov-
5 erage month with respect to an eligible indi-
6 vidual but for paragraph (7)(B)(i), such month
7 shall be treated as an eligible coverage month
8 with respect to such eligible individual solely for
9 purposes of determining the eligibility of quali-
10 fying family members of such individual under
11 this subsection. This subparagraph shall only
12 apply with respect to the first 36 months after
13 such eligible individual is first entitled to the
14 benefits described in paragraph (7)(B)(i).

15 “(B) DIVORCE.—In the case of the final-
16 ization of a divorce between an eligible indi-
17 vidual and such individual’s spouse, such spouse
18 shall be treated as an eligible individual for pur-
19 poses of this subsection for a period of 36
20 months beginning with the date of such final-
21 ization, except that the only qualifying family
22 members who may be taken into account with
23 respect to such spouse are those individuals who
24 were qualifying family members immediately be-
25 fore such finalization.

1 “(C) DEATH.—In the case of the death of
2 an eligible individual—

3 “(i) any spouse of such individual (de-
4 termined at the time of such death) shall
5 be treated as an eligible individual for pur-
6 poses of this subsection for a period of 36
7 months beginning with the date of such
8 death, except that the only qualifying fam-
9 ily members who may be taken into ac-
10 count with respect to such spouse are those
11 individuals who were qualifying family
12 members immediately before such death,
13 and

14 “(ii) any individual who was a quali-
15 fying family member of the decedent imme-
16 diately before such death shall be treated
17 as an eligible individual for purposes this
18 subsection for a period of 36 months be-
19 ginning with the date of such death, except
20 that no qualifying family members may be
21 taken into account with respect to such in-
22 dividual.”.

23 (e) MODIFICATION OF CREDITABLE COVERAGE RE-
24 QUIREMENT.—

1 (1) IN GENERAL.—Subparagraph (B) of section
2 35(e)(2) of such Code is amended to read as follows:

3 “(B) QUALIFYING INDIVIDUAL.—For pur-
4 poses of this paragraph, the term ‘qualifying in-
5 dividual’ means an eligible individual and the
6 qualifying family members of such individual if
7 such individual meets the requirements of
8 clauses (iii) and (iv) of subsection (b)(1)(A)
9 and—

10 “(i) in the case of an eligible TAA re-
11 cipient or an eligible alternative TAA re-
12 cipient, has (as of the date on which the
13 individual seeks to enroll in the coverage
14 described in subparagraphs (B) through
15 (H) of paragraph (1)) a period of cred-
16 itable coverage (as defined in section
17 9801(c)), or

18 “(ii) in the case of an eligible PBGC
19 pension recipient, enrolls in such coverage
20 during the 90-day period beginning on the
21 later of—

22 “(I) the last day of the first
23 month with respect to which such re-
24 cipient becomes an eligible PBGC
25 pension recipient, or

1 “(II) the date of the enactment
2 of this subparagraph.”.

3 (2) CONFORMING AMENDMENT.—Clause (ii) of
4 section 172(f)(2)(B) of the Workforce Investment
5 Act of 1998 (29 U.S.C. 2918(f)(2)(B)) is amended
6 to read as follows:

7 “(ii) QUALIFYING INDIVIDUAL.—For
8 purposes of this subparagraph, the term
9 ‘qualifying individual’ means an eligible in-
10 dividual and the qualifying family members
11 of such individual if such individual meets
12 the requirements of clauses (iii) and (iv) of
13 section 35(b)(1)(A) of the Internal Rev-
14 enue Code of 1986 and—

15 “(I) in the case of an eligible
16 TAA recipient or an eligible alter-
17 native TAA recipient, has (as of the
18 date on which the individual seeks to
19 enroll in the coverage described in
20 clauses (ii) through (viii) of subpara-
21 graph (A)) a period of creditable cov-
22 erage (as defined in section 9801(c) of
23 such Code), or

24 “(II) in the case of an eligible
25 PBGC pension recipient, enrolls in

1 such coverage during the 90-day pe-
2 riod beginning on the later of—

3 “(aa) the last day of the
4 first month with respect to which
5 such recipient becomes an eligible
6 PBGC pension recipient, or

7 “(bb) the date of the enact-
8 ment of this clause.”.

9 (3) OUTREACH.—The Secretary of the Treas-
10 ury shall carry out a program to notify individuals
11 prior to their becoming eligible PBGC pension re-
12 cipients (as defined in section 35 of the Internal
13 Revenue Code of 1986) of the requirement of sub-
14 section (e)(2)(B)(ii) of such section, as added by this
15 subsection.

16 (f) TAA PRE-CERTIFICATION PERIOD RULE FOR
17 PURPOSES OF DETERMINING WHETHER THERE IS A 63-
18 DAY LAPSE IN CREDITABLE COVERAGE.—

19 (1) IRC AMENDMENT.—Section 9801(c)(2) of
20 the Internal Revenue Code of 1986 (relating to not
21 counting periods before significant breaks in cred-
22 itable coverage) is amended by adding at the end the
23 following new subparagraph:

24 “(D) TAA-ELIGIBLE INDIVIDUALS.—

1 “(i) TAA PRE-CERTIFICATION PERIOD
2 RULE.—In the case of a TAA-eligible indi-
3 vidual, the period beginning on the date
4 the individual has a TAA-related loss of
5 coverage and ending on the date which is
6 5 days after the postmark date of the no-
7 tice by the Secretary (or by any person or
8 entity designated by the Secretary) that
9 the individual is eligible for a qualified
10 health insurance costs credit eligibility cer-
11 tificate for purposes of section 7527 shall
12 not be taken into account in determining
13 the continuous period under subparagraph
14 (A).

15 “(ii) DEFINITIONS.—The terms ‘TAA-
16 eligible individual’, and ‘TAA-related loss
17 of coverage’ have the meanings given such
18 terms in section 4980B(f)(5)(C)(iv).”.

19 (2) ERISA AMENDMENT.—Section 701(c)(2) of
20 the Employee Retirement Income Security Act of
21 1974 (29 U.S.C. 1181(c)(2)) is amended by adding
22 at the end the following new subparagraph:

23 “(C) TAA-ELIGIBLE INDIVIDUALS.—

24 “(i) TAA PRE-CERTIFICATION PERIOD
25 RULE.—In the case of a TAA-eligible indi-

1 vidual, the period beginning on the date
2 the individual has a TAA-related loss of
3 coverage and ending on the date that is 5
4 days after the postmark date of the notice
5 by the Secretary (or by any person or enti-
6 ty designated by the Secretary) that the
7 individual is eligible for a qualified health
8 insurance costs credit eligibility certificate
9 for purposes of section 7527 of the Inter-
10 nal Revenue Code of 1986 shall not be
11 taken into account in determining the con-
12 tinuous period under subparagraph (A).

13 “(ii) DEFINITIONS.—The terms ‘TAA-
14 eligible individual’, and ‘TAA-related loss
15 of coverage’ have the meanings given such
16 terms in section 605(b)(4)(c).”.

17 (3) PHSA AMENDMENT.—Section 2701(c)(2)
18 of the Public Health Service Act (42 U.S.C.
19 300gg(c)(2)) is amended by adding at the end the
20 following new subparagraph:

21 “(C) TAA-ELIGIBLE INDIVIDUALS.—

22 “(i) TAA PRE-CERTIFICATION PERIOD
23 RULE.—In the case of a TAA-eligible indi-
24 vidual, the period beginning on the date
25 the individual has a TAA-related loss of

1 coverage and ending on the date that is 5
2 days after the postmark date of the notice
3 by the Secretary (or by any person or enti-
4 ty designated by the Secretary) that the
5 individual is eligible for a qualified health
6 insurance costs credit eligibility certificate
7 for purposes of section 7527 of the Inter-
8 nal Revenue Code of 1986 shall not be
9 taken into account in determining the con-
10 tinuous period under subparagraph (A).

11 “(ii) DEFINITIONS.—The terms ‘TAA-
12 eligible individual’, and ‘TAA-related loss
13 of coverage’ have the meanings given such
14 terms in section 2205(b)(4)(c).”.

15 (g) RATING SYSTEM REQUIREMENT FOR CERTAIN
16 STATE-BASED COVERAGE.—

17 (1) IN GENERAL.—Subparagraph (A) of section
18 35(e)(2) of such Code is amended by adding at the
19 end the following new clause:

20 “(v) RATING SYSTEM REQUIRE-
21 MENT.—In the case of coverage described
22 in paragraph (1)(F)(ii), the premiums for
23 such coverage are restricted, based on a
24 community rating system with respect to
25 eligible individuals and their qualifying

1 family members, or based on a rate-band
2 system under which the maximum rate
3 which may be charged does not exceed 150
4 percent of the standard rate with respect
5 to eligible individuals and their qualifying
6 family members.”.

7 (2) CONFORMING AMENDMENT.—Clause (i) of
8 section 173(f)(2)(B) of the Workforce Investment
9 Act of 1998 (29 U.S.C. 2918(f)(2)(B)) is amended
10 by adding at the end the following new subclause:

11 “(V) RATING SYSTEM REQUIRE-
12 MENT.—In the case of coverage de-
13 scribed in subparagraph (A)(vi)(II),
14 the premiums for such coverage are
15 restricted, based on a community rat-
16 ing system with respect to eligible in-
17 dividuals and their qualifying family
18 members, or based on a rate-band
19 system under which the maximum
20 rate which may be charged does not
21 exceed 150 percent of the standard
22 rate with respect to eligible individuals
23 and their qualifying family mem-
24 bers.”.

25 (h) TERMINATION OF PROGRAM.—

1 (1) IN GENERAL.—Section 35 of such Code is
2 amended by adding at the end the following new
3 subsection:

4 “(h) TERMINATION.—An individual shall not be
5 treated as an eligible individual for purposes of this section
6 or section 7527 for any month beginning after December
7 31, 2009, unless such individual was an eligible individual
8 for a continuous period of months ending with such month
9 and beginning before such date.”.

10 (2) CONFORMING AMENDMENT.—Subsection (f)
11 of section 173 of the Workforce Investment Act of
12 1998 (29 U.S.C. 2918) is amended by adding at the
13 end the following new paragraph:

14 “(8) TERMINATION.—An individual shall not be
15 treated as an eligible individual for purposes of this
16 subsection for any month beginning after December
17 31, 2009, unless such individual was an eligible indi-
18 vidual for a continuous period of months ending with
19 such month and beginning before such date.”.

20 (i) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as otherwise pro-
22 vided in this subsection, the amendments made by
23 this section shall apply to months beginning after
24 December 31, 2007, in taxable years ending after
25 such date.

1 (2) RATING SYSTEM REQUIREMENT.—The
2 amendments made by subsection (g) shall apply to
3 months beginning after March 31, 2008, in taxable
4 years ending after such date.

5 (3) DISCRETION TO DELAY EFFECTIVE DATE
6 FOR PURPOSES OF ADVANCE PAYMENT PROGRAM.—
7 Solely for purposes of carrying out the advance pay-
8 ment program under section 7527, the Secretary
9 may provide that one or more amendments made by
10 subsections (b), (c), and (d) shall not apply to one
11 or more months beginning before March 31, 2008,
12 to the extent that the Secretary determines that
13 such delay is necessary to properly implement any
14 such amendment as part of such program.

15 (j) GAO STUDY AND REPORT.—

16 (1) STUDY.—The Comptroller General of the
17 United States shall conduct a study regarding the
18 health insurance tax credit allowed under section 35
19 of the Internal Revenue Code of 1986.

20 (2) REPORT.—Not later than March 1, 2009,
21 the Comptroller General shall submit a report to
22 Congress regarding the results of the study con-
23 ducted under paragraph (1). Such report shall in-
24 clude an analysis of—

25 (A) the administrative costs—

1 (i) of the Federal Government with
2 respect to such credit and the advance pay-
3 ment of such credit under section 7527 of
4 such Code, and

5 (ii) of providers of qualified health in-
6 surance with respect to providing such in-
7 surance to eligible individuals and their
8 qualifying family members,

9 (B) the health status and relative risk sta-
10 tus of eligible individuals and qualifying family
11 members covered under such insurance,

12 (C) participation in such credit and the ad-
13 vance payment of such credit by eligible individ-
14 uals and their qualifying family members, in-
15 cluding the reasons why such individuals did or
16 did not participate and the effect of the amend-
17 ments made by this section on such participa-
18 tion, and

19 (D) the extent to which eligible individuals
20 and their qualifying family members—

21 (i) obtained health insurance other
22 than qualifying health insurance, or

23 (ii) went without health insurance cov-
24 erage.

1 (3) ACCESS TO RECORDS.—For purposes of
2 conducting the study required under this subsection,
3 the Comptroller General and any of his duly author-
4 ized representatives shall have access to, and the
5 right to examine and copy, all documents, records,
6 and other recorded information—

7 (A) within the possession or control of pro-
8 viders of qualified health insurance, and

9 (B) determined by the Comptroller General
10 (or any such representative) to be relevant to
11 the study.

12 The Comptroller General shall not disclose the iden-
13 tity of any provider of qualified health insurance or
14 any eligible individual in making any information ob-
15 tained under this section available to the public.

16 (4) DEFINITIONS.—Any term which is defined
17 in section 35 of the Internal Revenue Code of 1986
18 shall have the same meaning when used in this sub-
19 section.

20 **Subtitle E—Wage Insurance**

21 **SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-** 22 **ANCE PROGRAM FOR OLDER WORKERS.**

23 (a) IN GENERAL.—Section 246 of the Trade Act of
24 1974 (19 U.S.C. 2318) is amended—

1 (1) by amending the heading to read as follows:

2 “**REEMPLOYMENT TRADE ADJUSTMENT AS-**
3 **SISTANCE**”;

4 (2) in subsection (a)—

5 (A) in paragraph (1), by striking “alter-
6 native” and inserting “reemployment”;

7 (B) in paragraph (2)(A), by striking “for
8 a period not to exceed 2 years” and inserting
9 “for the eligibility period under paragraph
10 (3)(C)”; and

11 (C) by striking paragraphs (3) through (5)
12 and inserting the following:

13 “(3) **ELIGIBILITY.**—

14 “(A) **IN GENERAL.**—A group of workers
15 certified under subchapter A as eligible for ad-
16 justment assistance under subchapter A is eligi-
17 ble for benefits described in paragraph (2)
18 under the program established under paragraph
19 (1).

20 “(B) **INDIVIDUAL ELIGIBILITY.**—A worker
21 in a group of workers described in subpara-
22 graph (A) may elect to receive benefits de-
23 scribed in paragraph (2) under the program es-
24 tablished under paragraph (1) if the worker—

25 “(i) is at least 50 years of age;

1 “(ii) earns not more than \$60,000
2 each year in wages from reemployment;

3 “(iii)(I) is employed on a full-time
4 basis as defined by State law in the State
5 in which the worker is employed; or

6 “(II) is employed at least 20 hours
7 per week and is enrolled in training ap-
8 proved under section 236; and

9 “(iv) does not return to the employ-
10 ment from which the worker was sepa-
11 rated.

12 In the case of a worker described in clause
13 (iii)(II), the percentage referred to in para-
14 graph (2)(A) shall be deemed to be a percent-
15 age equal to $\frac{1}{2}$ of the ratio of weekly hours of
16 employment referred to in clause (iii)(II) to
17 weekly hours of employment of that worker at
18 the time of separation (but not more than 50
19 percent).

20 “(C) ELIGIBILITY PERIOD FOR PAY-
21 MENTS.—A worker in a group of workers de-
22 scribed in subparagraph (A) may receive pay-
23 ments described in paragraph (2)(A) under the
24 program established under paragraph (1) for a
25 period not to exceed 2 years from the date on

1 which the worker exhausts all rights to unem-
2 ployment insurance based on the separation of
3 the worker from adversely affected employment
4 or the date on which the worker obtains reem-
5 ployment, whichever is earlier.

6 “(D) TRAINING.—A worker described in
7 subparagraph (B) shall be eligible to receive
8 training approved under section 236.

9 “(4) TOTAL AMOUNT OF PAYMENTS.—The pay-
10 ments described in paragraph (2)(A) made to a
11 worker may not exceed \$12,000 per worker during
12 the eligibility period under paragraph (3)(C).

13 “(5) LIMITATION ON OTHER BENEFITS.—A
14 worker described in paragraph (3) may not receive
15 a trade readjustment allowance under part I of sub-
16 chapter B during any week for which the worker re-
17 ceives a payment described in paragraph (2)(A).”;
18 and

19 (3) in subsection (b)(2), by striking “subsection
20 (a)(3)(B)” and inserting “subsection (a)(3)”.

21 (b) EXTENSION OF PROGRAM.—Subsection (b)(1) of
22 such section is amended by striking “5” and inserting
23 “10”.

24 (c) CLERICAL AMENDMENT.—The table of contents
25 for title II of the Trade Act of 1974 is amended by strik-

1 ing the item relating to section 246 and inserting the fol-
2 lowing:

“Sec. 246. Reemployment trade adjustment assistance program.”.

3 **Subtitle F—Other Matters**

4 **SEC. 161. AGREEMENTS WITH STATES.**

5 (a) IN GENERAL.—Subsection (a) of section 239 of
6 the Trade Act of 1974 (19 U.S.C. 2311) is amended—

7 (1) by striking “will” each place it appears and
8 inserting “shall”; and

9 (2) in clause (2), to read as follows: “(2) in ac-
10 cordance with subsection (f), shall provide adversely
11 affected workers covered by a certification under
12 subchapter A the employment and case management
13 services described in section 235”.

14 (b) OUTREACH.—Subsection (f) of such section is
15 amended—

16 (1) in paragraph (3), by striking “and” at the
17 end;

18 (2) by striking paragraph (4) and inserting the
19 following:

20 “(4) perform outreach, intake (which may in-
21 clude worker profiling) and orientation for assistance
22 and benefits available under this chapter for ad-
23 versely affected workers covered by a certification
24 under subchapter A of this chapter, and”; and

25 (3) by adding at the end the following:

1 “(5) provide adversely affected workers covered
2 by a certification under subchapter A of this chapter
3 with employment and case management services de-
4 scribed in section 235.”.

5 **SEC. 162. FRAUD AND RECOVERY OF OVERPAYMENTS.**

6 Section 243(a)(1) of the Trade Act of 1974 (19
7 U.S.C. 2315(a)(1)) is amended—

8 (1) in the matter preceding subparagraph (A)—

9 (A) by striking “may waive” and inserting
10 “shall waive”; and

11 (B) by striking “, in accordance with
12 guidelines prescribed by the Secretary,” and

13 (2) in subparagraph (B), by striking “would be
14 contrary to equity and good conscience” and insert-
15 ing “would cause a financial hardship for the indi-
16 vidual (or the individual’s household, if applicable)
17 when taking into consideration the income and re-
18 sources reasonably available to the individual (or
19 household) and other ordinary living expenses of the
20 individual (or household)”.

21 **SEC. 163. TECHNICAL AMENDMENTS.**

22 (a) IN GENERAL.—Section 249 of the Trade Act of
23 1974 (19 U.S.C. 2321) is amended—

24 (1) in the heading, by striking “**SUBPENA**”
25 and inserting “**SUBPOENA**”; and

1 (2) in the text, by striking “subpena” and in-
2 serting “subpoena” each place it appears.

3 (b) CLERICAL AMENDMENT.—The item relating to
4 section 249 in the table of contents for title II of the
5 Trade Act of 1974 is amended to read as follows:

“249. Subpoena power.”.

6 **SEC. 164. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
7 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
8 **ADJUSTMENT ASSISTANCE.**

9 (a) IN GENERAL.—Subchapter C of chapter 2 of title
10 II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is
11 amended by adding at the end the following:

12 **“SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE;**
13 **DEPUTY ASSISTANT SECRETARY FOR TRADE**
14 **ADJUSTMENT ASSISTANCE.**

15 “(a) ESTABLISHMENT.—There is established in the
16 Department of Labor an office to be known as the Office
17 of Trade Adjustment Assistance (hereinafter in this sec-
18 tion referred to as the ‘Office’).

19 “(b) HEAD OF OFFICE.—The head of the Office shall
20 be the Deputy Assistant Secretary for Trade Adjustment
21 Assistance (hereinafter in this section referred to as the
22 ‘Deputy Assistant Secretary’), who shall be appointed by
23 the President, by and with the advice and consent of the
24 Senate.

1 “(c) PRINCIPLE FUNCTIONS.—The principle func-
2 tions of the Deputy Assistant Secretary shall be—

3 “(1) to oversee and implement the administra-
4 tion of trade adjustment assistance for workers
5 under this chapter; and

6 “(2) to carry out functions delegated to the
7 Secretary of Labor under this chapter, including—

8 “(A) making determinations under section
9 223 or 223A;

10 “(B) providing information about the pro-
11 gram and assisting groups of workers and other
12 parties to prepare petitions or applications for
13 program benefits under section 225;

14 “(C) ensuring workers covered by a certifi-
15 cation receive the employment services de-
16 scribed in section 235;

17 “(D) ensuring States fully comply with
18 agreements under section 239;

19 “(E) acting as a vigorous advocate for
20 workers applying for assistance under this
21 chapter;

22 “(F) receiving complaints, grievances, and
23 requests for assistance from workers under this
24 chapter;

1 “(G) establishing and overseeing a hotline
2 that workers, employers, and other entities may
3 call to obtain information regarding eligibility
4 criteria, procedural requirements, and benefits
5 available under this chapter; and

6 “(H) carrying out such other duties with
7 respect to this chapter as the President may
8 specify for purposes of this section.”.

9 (b) CLERICAL AMENDMENT.—The table of contents
10 for title II of the Trade Act of 1974 is amended by insert-
11 ing after the item relating to section 249 the following:

“Sec. 250. Office of Trade Adjustment Assistance; Deputy Assistant Secretary
for Trade Adjustment Assistance.”.

12 **SEC. 165. COLLECTION OF DATA AND REPORTS; INFORMA-**
13 **TION TO WORKERS.**

14 (a) IN GENERAL.—Subchapter C of chapter 2 of title
15 II of the Trade Act of 1974 (19 U.S.C. 2311 et seq.) is
16 amended by adding at the end the following:

17 **“SEC. 250A. COLLECTION OF DATA AND REPORTS; INFOR-**
18 **MATION TO WORKERS.**

19 “(a) IN GENERAL.—Not later than 90 days after the
20 date of the enactment of the Trade and Globalization As-
21 sistance Act of 2007, the Secretary shall implement a sys-
22 tem to collect and publicly disseminate data on all ad-
23 versely affected workers who apply for or receive adjust-
24 ment assistance under this chapter.

1 “(b) DATA TO BE INCLUDED.—The system required
2 under subsection (a) shall include collection of the fol-
3 lowing data classified by State, industry, and nationwide
4 totals:

5 “(1) The number of petitions and number of
6 workers covered by petitions filed, certified and de-
7 nied.

8 “(2) The date of filing of each petition and the
9 date of the determination, and the average proc-
10 essing time, by year, on petitions.

11 “(3) A breakdown, by the claimed cause of dis-
12 location, of petitions denied, such as increased im-
13 ports, shift in production, and other bases for eligi-
14 bility.

15 “(4) A breakdown of the number of certified
16 petitions by the cause of dislocation, such as in-
17 crease in imports, shift in production, and other
18 causes of eligibility for adjustment assistance.

19 “(5) The number of workers participating in
20 any aspect of the adjustment assistance program
21 under this chapter.

22 “(6) Reemployment rates and sectors in which
23 dislocated workers have been employed after receiv-
24 ing adjustment assistance under this chapter.

1 “(7) The type of adjustment assistance received
2 under this chapter, such as training or education as-
3 sistance, reemployment adjustment assistance, cash
4 benefits, health coverage, and relocation allowances,
5 the number of workers receiving each type of assist-
6 ance, and the average duration of time workers re-
7 ceive each type of assistance.

8 “(8) The fields of training or education in
9 which workers receiving training or education bene-
10 fits under this chapter are enrolled, the number of
11 workers participating in each field, classified by
12 major types of training or education.

13 “(9) The number of workers leaving training
14 before completing a course of training or education,
15 classified by the cause for early termination.

16 “(10) The number of training waivers granted,
17 classified by type of waiver.

18 “(11) The wages of workers before separation
19 and any job obtained after receiving benefits under
20 the trade adjustment assistance program under this
21 chapter.

22 “(12) The average duration of training that
23 was completed.

24 “(c) REPORT.—Not later than 16 months after the
25 date of the enactment of the Trade and Globalization As-

1 sistance Act of 2007, and annually thereafter, the Sec-
2 retary shall submit to the Committee on Ways and Means
3 of the House of Representatives, the Committee on Fi-
4 nance of the Senate, and any other congressional com-
5 mittee of appropriate jurisdiction, a report on whether
6 changes to eligibility requirements, benefits, or training
7 funding under the trade adjustment assistance program
8 under this chapter should be made based on the data col-
9 lected under subsection (b).

10 “(d) AVAILABILITY ON WEBSITE OF THE DEPART-
11 MENT OF LABOR.—The Secretary shall make the data col-
12 lected under subsection (b) publicly available on the
13 website of the Department of Labor, in a searchable for-
14 mat, and shall update the data quarterly.”.

15 (b) CLERICAL AMENDMENT.—The table of contents
16 for title II of the Trade Act of 1974 is amended by insert-
17 ing after the item relating to section 250 (as added by
18 section 163(b) of this Act) the following:

“Sec. 250A. Collection of data and reports; information to workers.”.

19 **SEC. 166. EXTENSION OF TAA PROGRAM.**

20 (a) FOR WORKERS.—Section 245(a) of the Trade Act
21 of 1974 (19 U.S.C. 2317(a)) is amended by striking “De-
22 cember 31, 2007” and inserting “September 30, 2012”.

23 (b) TERMINATION.—Section 285 of the Trade Act of
24 1974 (19 U.S.C. 2271 note) is amended by striking “De-

1 cember 31, 2007” each place it appears and inserting
2 “September 30, 2012”.

3 (c) FOR FARMERS.—Section 298(a) of the Trade Act
4 of 1974 (19 U.S.C. 2401g(a)) is amended by adding at
5 the end the following: “There are authorized to be appro-
6 priated to the Department of Agriculture not to exceed
7 \$81,000,000 for the 9-month period beginning on January
8 1, 2008, and \$90,000,000 for each of the fiscal years 2009
9 through 2012 to carry out the purposes of this chapter.”.

10 **SEC. 167. JUDICIAL REVIEW.**

11 Section 284 of the Trade Act of 1974 (19 U.S.C.
12 2395) is amended—

13 (1) in subsection (a)—

14 (A) by inserting “or 223A” after “223”;

15 and

16 (B) by striking “271” and inserting
17 “273”;

18 (2) by amending subsection (b) to read as fol-
19 lows:

20 “(b) STANDARD OF REVIEW.—The Court of Inter-
21 national Trade shall have jurisdiction to review the case
22 as provided in section 706 of title 5, United States Code.
23 The findings of fact by the Secretary of Labor, the Sec-
24 retary of Commerce, or the Secretary of Agriculture, as
25 the case may be, must be supported by substantial evi-

1 dence and must be based on a reasonable investigation.

2 The Court of International Trade may—

3 “(1) remand the case to such Secretary to take

4 further evidence; or

5 “(2) reverse the action of such Secretary.

6 If the case is remanded under paragraph (1), the Sec-

7 retary concerned may make new or modified findings of

8 fact and may modify the Secretary’s previous action, and

9 shall certify to the court the record of the further pro-

10 ceedings. The new or modified findings of fact must be

11 supported by substantial evidence and must be based on

12 a reasonable investigation.”; and

13 (3) in subsection (c), by striking the first sen-

14 tence.

15 **SEC. 168. LIBERAL CONSTRUCTION OF CERTIFICATION OF**

16 **WORKERS AND FIRMS.**

17 (a) IN GENERAL.—Chapter 5 of title II of the Trade

18 Act of 1974 (19 U.S.C. 2391 et seq.) is amended by add-

19 ing at the end the following:

20 **“SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF**

21 **WORKERS AND FIRMS.**

22 “The provisions of chapter 2 (relating to adjustment

23 assistance for workers) and the provisions of chapter 3

24 (relating to adjustment assistance for firms) shall be lib-

25 erally construed in favor of certifying workers for assist-

1 ance under such chapter 2 and certifying firms for assist-
2 ance under such chapter 3.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for title II of the Trade Act of 1974 is amended by insert-
5 ing after the item relating to section 287 the following:

“Sec. 288. Liberal construction of certification of workers and firms.”.

6 **TITLE II—TRADE ADJUSTMENT**
7 **ASSISTANCE FOR FIRMS**

8 **SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.**

9 (a) IN GENERAL.—Section 251 of the Trade Act of
10 1974 (19 U.S.C. 2341) is amended—

11 (1) in subsection (a), by inserting “or service
12 sector firm” after “(including any agricultural
13 firm”;

14 (2) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in the matter preceding subpara-
17 graph (A), by inserting “or service sector
18 firm” after “any agricultural firm”; and

19 (ii) in subparagraph (B)—

20 (I) in clause (i), by striking “,
21 or” and inserting a comma;

22 (II) in clause (ii)—

23 (aa) by inserting “or serv-
24 ice” after “of an article”; and

1 (bb) by striking “, and” and
2 inserting a comma; and

3 (III) by adding at the end the
4 following:

5 “(iii) sales or production, or both, of
6 the firm, during the period consisting of
7 not more than 36 months preceding the
8 most recent 12-month period for which
9 data are available, have decreased abso-
10 lutely, or

11 “(iv) sales or production, or both, of
12 an article or service that accounted for not
13 less than 25 percent of the total produc-
14 tion or sales of the firm during the 36-
15 month period preceding the most recent
16 12-month period for which data are avail-
17 able have decreased absolutely, and”; and

18 (B) in the matter preceding subparagraph
19 (A) of paragraph (2) , by striking “paragraph
20 (1)(C)—” and inserting “paragraph (1)(C):”;
21 and

22 (3) by adding at the end the following:

23 “(e) BASIS FOR THE DETERMINATION OF THE SEC-
24 RETARY.—

1 “(1) INCREASED IMPORTS.—For purposes of
2 subsection (c)(1)(C), the Secretary—

3 “(A) may use data from any of the pre-
4 ceding three calendar years to determine if the
5 requirements of such subsection have been met;
6 and

7 “(B) may determine that increases of im-
8 ports of like or directly competitive articles or
9 services exist if customers accounting for a sig-
10 nificant percentage of the decrease in the sales
11 of the firm certify to the Secretary that such
12 customers are obtaining such articles or services
13 from a foreign country.

14 “(2) PROCESS AND METHODS FOR OBTAINING
15 CERTIFICATIONS.—

16 “(A) REQUEST BY PETITIONER.—If re-
17 quested by a firm, the Secretary shall obtain
18 the certifications under paragraph (1)(B) in
19 such manner as the Secretary determines is ap-
20 propriate.

21 “(B) PROTECTION OF CONFIDENTIAL IN-
22 FORMATION.—The Secretary may not release
23 information obtained under subparagraph (A)
24 that the Secretary considers to be confidential
25 business information unless the party submit-

1 ting the confidential business information had
2 notice, at the time of submission, that such in-
3 formation would be released by the Secretary,
4 or such party subsequently consents to the re-
5 lease of the information. Nothing in this sub-
6 paragraph shall be construed to prohibit a court
7 from requiring the submission of such confiden-
8 tial business information to the court in cam-
9 era.

10 “(f) NOTIFICATION TO FIRMS OF AVAILABILITY OF
11 BENEFITS.—Upon receiving notice from the Secretary of
12 Labor under section 225(c) of the identity of a firm or
13 firms that are covered by a certification issued under sec-
14 tion 223 or 223A, the Secretary of Commerce shall notify
15 such firm or firms of the availability of adjustment assist-
16 ance under this chapter.”.

17 (b) DEFINITION.—Section 261 of the Trade Act of
18 1974 (19 U.S.C. 2351) is amended—

19 (1) by striking “For purposes of” and inserting

20 “(a) FIRM.—For purposes of”; and

21 (2) by adding at the end the following:

22 “(b) SERVICE SECTOR FIRM.—For purposes of this
23 chapter, the term ‘service sector firm’ means a firm en-
24 gaged in the business of providing services.”.

1 **SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE AD-**
2 **JUSTMENT ASSISTANCE FOR FIRMS.**

3 Section 256(b) of the Trade Act of 1974 (19 U.S.C.
4 2346(b)) is amended—

5 (1) by striking “and \$4,000,000 for the 3-
6 month period beginning on October 1, 2007,” insert-
7 ing “and \$50,000,000 for each of fiscal years 2008
8 through 2012,” after “fiscal years 2003 through
9 2007,”; and

10 (2) by inserting after the first sentence the fol-
11 lowing: “Of the amounts appropriated pursuant to
12 this subsection for each fiscal year, \$350,000 shall
13 be available for full-time positions in the Depart-
14 ment of Commerce to administer the program under
15 this chapter.”.

16 **SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOP-**
17 **MENT OF NEW SERVICES.**

18 Section 265(a) of the Trade Act of 1974 (19 U.S.C.
19 2355(a)) is amended—

20 (1) in the first sentence, by striking “new prod-
21 uct development” and inserting “the development of
22 new products and services”; and

23 (2) in the second sentence, by inserting “,
24 223A,” after “223”.

1 **TITLE III—UNEMPLOYMENT**
2 **INSURANCE**

3 **SEC. 301. SHORT TITLE.**

4 This title may be cited as the “Unemployment Insur-
5 ance Modernization Act”.

6 **SEC. 302. SPECIAL TRANSFERS TO STATE ACCOUNTS IN**
7 **THE UNEMPLOYMENT TRUST FUND.**

8 (a) IN GENERAL.—Section 903 of the Social Security
9 Act (42 U.S.C. 1103) is amended by adding at the end
10 the following:

11 “Special Transfers in Fiscal Years 2008 Through 2012
12 for Modernization

13 “(f)(1)(A) In addition to any other amounts, the Sec-
14 retary of Labor shall provide for the making of unemploy-
15 ment compensation modernization incentive payments
16 (hereinafter ‘incentive payments’) to the accounts of the
17 States in the Unemployment Trust Fund, by transfer from
18 amounts reserved for that purpose in the Federal unem-
19 ployment account, in accordance with succeeding provi-
20 sions of this subsection.

21 “(B) The maximum incentive payment allowable
22 under this subsection with respect to any State shall, as
23 determined by the Secretary of Labor, be equal to the
24 amount obtained by multiplying \$7,000,000,000 times the
25 same ratio as is applicable under subsection (a)(2)(B) for

1 purposes of determining such State's share of any funds
2 to be transferred under subsection (a) as of October 1,
3 2007.

4 “(C) Of the maximum incentive payment determined
5 under subparagraph (B) with respect to a State—

6 “(i) one-third shall be transferred to the ac-
7 count of such State upon a certification under para-
8 graph (4)(B) that the State law of such State meets
9 the requirements of paragraph (2); and

10 “(ii) the remainder shall be transferred to the
11 account of such State upon a certification under
12 paragraph (4)(B) that the State law of such State
13 meets the requirements of paragraph (3).

14 “(2) The State law of a State meets the requirements
15 of this paragraph if such State law—

16 “(A) uses a base period that includes the most
17 recently completed calendar quarter before the start
18 of the benefit year for purposes of determining eligi-
19 bility for unemployment compensation; or

20 “(B) provides that, in the case of an individual
21 who would not otherwise be eligible for unemploy-
22 ment compensation under the State law because of
23 the use of a base period that does not include the
24 most recently completed calendar quarter before the
25 start of the benefit year, eligibility shall be deter-

1 mined using a base period that includes such cal-
2 endar quarter.

3 “(3) The State law of a State meets the requirements
4 of this paragraph if such State law includes provisions to
5 carry out at least 2 of the following subparagraphs:

6 “(A) An individual shall not be denied regular
7 unemployment compensation under any State law
8 provisions relating to availability for work, active
9 search for work, or refusal to accept work, solely be-
10 cause such individual is seeking only part-time (and
11 not full-time) work, except that the State law provi-
12 sions carrying out this subparagraph may exclude an
13 individual if a majority of the weeks of work in such
14 individual’s base period do not include part-time
15 work.

16 “(B) An individual shall not be disqualified
17 from regular unemployment compensation for sepa-
18 rating from employment if that separation is for
19 compelling family reasons. For purposes of this sub-
20 paragraph, the term ‘compelling family reasons’ in-
21 cludes at least the following:

22 “(i) Domestic violence (verified by such
23 reasonable and confidential documentation as
24 the State law may require) which causes the in-
25 dividual reasonably to believe that such individ-

1 ual’s continued employment would jeopardize
2 the safety of the individual or of any member
3 of the individual’s immediate family.

4 “(ii) The illness or disability of a member
5 of the individual’s immediate family.

6 “(iii) The need for the individual to accom-
7 pany such individual’s spouse—

8 “(I) to a place from which it is im-
9 practical for such individual to commute;
10 and

11 “(II) due to a change in location of
12 the spouse’s employment.

13 “(C) Weekly unemployment compensation is
14 payable under this subparagraph to any individual
15 who is unemployed (as determined under the State
16 unemployment compensation law), has exhausted all
17 rights to regular and (if applicable) extended unem-
18 ployment compensation under the State law, and is
19 enrolled and making satisfactory progress in a
20 State-approved training program or in a job training
21 program authorized under the Workforce Investment
22 Act of 1998. Such program shall prepare individuals
23 who have been separated from a declining occupa-
24 tion, or who have been involuntarily and indefinitely
25 separated from employment as a result of a perma-

1 nent reduction of operations at the individual's place
2 of employment, for entry into a high-demand occu-
3 pation. The amount of unemployment compensation
4 payable under this subparagraph to an individual for
5 a week of unemployment shall be equal to the indi-
6 vidual's average weekly benefit amount (including
7 dependents' allowances) for the most recent benefit
8 year, and the total amount of unemployment com-
9 pensation payable under this subparagraph to any
10 individual shall be equal to at least 26 times the in-
11 dividual's average weekly benefit amount (including
12 dependents' allowances) for the most recent benefit
13 year.

14 “(4)(A) Any State seeking an incentive payment
15 under this subsection shall submit an application therefor
16 at such time, in such manner, and complete with such in-
17 formation as the Secretary of Labor may by regulation
18 prescribe, including information relating to compliance
19 with the requirements of paragraph (2) or (3), as well as
20 how the State intends to use the incentive payment to im-
21 prove or strengthen the State's unemployment compensa-
22 tion program. The Secretary of Labor shall, within 90
23 days after receiving a complete application, notify the
24 State agency of the State of the Secretary's findings with

1 respect to the requirements of paragraph (2) or (3) (or
2 both).

3 “(B) If the Secretary of Labor finds that the State
4 law provisions (disregarding any State law provisions
5 which are not then currently in effect as permanent law
6 or which are subject to discontinuation under certain con-
7 ditions) meet the requirements of paragraph (2) or (3),
8 as the case may be, the Secretary of Labor shall thereupon
9 make a certification to that effect to the Secretary of the
10 Treasury, together with a certification as to the amount
11 of the incentive payment to be transferred to the State
12 account pursuant to that finding. The Secretary of the
13 Treasury shall make the appropriate transfer within 30
14 days after receiving such certification.

15 “(C)(i) No certification of compliance with the re-
16 quirements of paragraph (2) or (3) may be made with re-
17 spect to any State whose State law is not otherwise eligible
18 for certification under section 303 or approvable under
19 section 3304 of the Federal Unemployment Tax Act.

20 “(ii) No certification of compliance with the require-
21 ments of paragraph (3) may be made with respect to any
22 State whose State law is not in compliance with the re-
23 quirements of paragraph (2).

24 “(iii) No application under subparagraph (A) may be
25 considered if submitted before October 1, 2007, or after

1 the latest date necessary (as specified by the Secretary of
2 Labor in regulations) to ensure that all incentive pay-
3 ments under this subsection are made before October 1,
4 2012.

5 “(5)(A) Except as provided in subparagraph (B), any
6 amount transferred to the account of a State under this
7 subsection may be used by such State only in the payment
8 of cash benefits to individuals with respect to their unem-
9 ployment (including for dependents’ allowances and for
10 unemployment compensation under paragraph (3)(C)), ex-
11 clusive of expenses of administration.

12 “(B) A State may, subject to the same conditions as
13 set forth in subsection (c)(2) (excluding subparagraph (B)
14 thereof, and deeming the reference to ‘subsections (a) and
15 (b)’ in subparagraph (D) thereof to include this sub-
16 section), use any amount transferred to the account of
17 such State under this subsection for the administration
18 of its unemployment compensation law and public employ-
19 ment offices.

20 “(6) Out of any money in the Federal unemployment
21 account not otherwise appropriated, the Secretary of the
22 Treasury shall reserve \$7,000,000,000 for incentive pay-
23 ments under this subsection. Any amount so reserved shall
24 not be taken into account for purposes of any determina-
25 tion under section 902, 910, or 1203 of the amount in

1 the Federal unemployment account as of any given time.
2 Any amount so reserved for which the Secretary of the
3 Treasury has not received a certification under paragraph
4 (4)(B) by the deadline described in paragraph (4)(C)(iii)
5 shall, upon the close of fiscal year 2012, become unre-
6 stricted as to use as part of the Federal unemployment
7 account.

8 “(7) For purposes of this subsection, the terms ‘ben-
9 efit year’, ‘base period’, and ‘week’ have the respective
10 meanings given such terms under section 205 of the Fed-
11 eral-State Extended Unemployment Compensation Act of
12 1970 (26 U.S.C. 3304 note).

13 “Special Transfers in Fiscal Years 2008 Through 2012
14 for Administration

15 “(g)(1) Notwithstanding any other provision of this
16 section, the total amount available for transfer to the ac-
17 counts of the States pursuant to subsection (a) as of the
18 beginning of each of fiscal years 2008, 2009, 2010, 2011,
19 and 2012 shall be equal to the total amount which (dis-
20 regarding this subsection) would otherwise be so available,
21 increased by \$100,000,000.

22 “(2) Each State’s share of any additional amount
23 made available by this subsection shall be determined, cer-
24 tified, and computed in the same manner as described in
25 subsection (a)(2) and shall be subject to the same limita-

1 tions on transfers as described in subsection (b). For pur-
2 poses of applying subsection (b)(2), the balance of any ad-
3 vances made to a State under section 1201 shall be cred-
4 ited against, and operate to reduce (but not below zero)—

5 “(A) first, any additional amount which, as a
6 result of the enactment of this subsection, is to be
7 transferred to the account of such State in a fiscal
8 year; and

9 “(B) second, any amount which (disregarding
10 this subsection) is otherwise to be transferred to the
11 account of such State pursuant to subsections (a)
12 and (b) in such fiscal year.

13 “(3) Any additional amount transferred to the ac-
14 count of a State as a result of the enactment of this sub-
15 section—

16 “(A) may be used by the State agency of such
17 State only in the payment of expenses incurred by
18 it for—

19 “(i) the administration of the provisions of
20 its State law carrying out the purposes of sub-
21 section (f)(2) or any subparagraph of sub-
22 section (f)(3);

23 “(ii) improved outreach to individuals who
24 might be eligible for regular unemployment

1 compensation by virtue of any provisions of the
2 State law which are described in clause (i);

3 “(iii) the improvement of unemployment
4 benefit and unemployment tax operations; and

5 “(iv) staff-assisted reemployment services
6 for unemployment compensation claimants; and

7 “(B) shall be excluded from the application of
8 subsection (c).

9 “(4) The total additional amount made available by
10 this subsection in a fiscal year shall be taken out of the
11 amounts remaining in the employment security adminis-
12 tration account after subtracting the total amount which
13 (disregarding this subsection) is otherwise required to be
14 transferred from such account in such fiscal year pursuant
15 to subsections (a) and (b).”.

16 (b) REGULATIONS.—The Secretary of Labor may
17 prescribe any regulations necessary to carry out the
18 amendment made by subsection (a).

19 **SEC. 303. EXTENSION OF FUTA TAX.**

20 Section 3301 of the Internal Revenue Code of 1986
21 (relating to rate of tax) is amended—

22 (1) by striking “2007” in paragraph (1) and in-
23 serting “2012”, and

24 (2) by striking “2008” in paragraph (2) and in-
25 serting “2013”.

1 **TITLE IV—MANUFACTURING**
2 **REDEVELOPMENT ZONES**

3 **SEC. 401. MANUFACTURING REDEVELOPMENT ZONES.**

4 (a) IN GENERAL.—Subchapter Y of chapter 1 of the
5 Internal Revenue Code of 1986 is amended by adding at
6 the end the following new part:

7 **“PART III—MANUFACTURING REDEVELOPMENT**
8 **ZONES**

“Sec. 1400U-1. Designation of manufacturing redevelopment zones.

“Sec. 1400U-2. Eligibility criteria.

“Sec. 1400U-3. Manufacturing redevelopment tax credit bonds.

“Sec. 1400U-4. Tax-exempt manufacturing zone facility bonds.

“Sec. 1400U-5. Additional low-income housing credits.

9 **“SEC. 1400U-1. DESIGNATION OF MANUFACTURING REDE-**
10 **VELOPMENT ZONES.**

11 “(a) IN GENERAL.—From among the areas nomi-
12 nated for designation under this section, the Secretary
13 may designate manufacturing redevelopment zones.

14 “(b) LIMITATIONS ON DESIGNATIONS.—The Sec-
15 retary may designate in the aggregate 24 nominated areas
16 as manufacturing redevelopment zones, subject to the
17 availability of eligible nominated areas. The Secretary
18 shall designate manufacturing redevelopment zones in
19 such manner that the aggregate population of all such
20 zones does not exceed 2,000,000.

21 “(c) PERIOD DESIGNATION MAY BE MADE.—A des-
22 ignation may be made under subsection (a) only during

1 the 2-year period beginning on the date of the enactment
2 of this section.

3 “(d) PERIOD FOR WHICH DESIGNATION IS IN EF-
4 FECT.—

5 “(1) IN GENERAL.—Any designation under this
6 section shall remain in effect during the period be-
7 ginning on the date of the designation and ending
8 on the earliest of—

9 “(A) the close of the 10th calendar year
10 beginning on or after the date of the designa-
11 tion,

12 “(B) the termination date designated by
13 the State and local governments as provided for
14 in their nomination, or

15 “(C) the date the Secretary revokes the
16 designation.

17 “(2) REVOCATION OF DESIGNATION.—The Sec-
18 retary may revoke the designation under this section
19 of an area if such Secretary determines that the
20 local government or the State in which it is lo-
21 cated—

22 “(A) has modified the boundaries of the
23 area, or

24 “(B) is not complying substantially with,
25 or fails to make progress in achieving the

1 benchmarks set forth in, the strategic plan in-
2 cluded with the application

3 “(e) LIMITATIONS ON DESIGNATIONS; APPLICA-
4 TION.—Rules similar to the rules of subsections (e) and
5 (f) of section 1391 shall apply for purposes of this section
6 except that the rules of such subsection (f) shall be applied
7 with respect to the eligibility criteria specified in section
8 1400U-2.

9 “(f) DETERMINATIONS OF POPULATION.—Any deter-
10 mination of population under this part shall be made on
11 the basis of the most recent decennial census for which
12 data are available.

13 **“SEC. 1400U-2. ELIGIBILITY CRITERIA.**

14 “(a) IN GENERAL.—A nominated area shall be eligi-
15 ble for designation under section 1400U-1 only if—

16 “(1) it meets each of the criteria specified in
17 section 1392(a),

18 “(2) the nominated area has experienced a sig-
19 nificant decline in the number of individuals em-
20 ployed in manufacturing or has a high concentration
21 of abandoned or underutilized manufacturing facili-
22 ties, and

23 “(3) no portion of the nominated area is located
24 in an empowerment zone or renewal community, un-
25 less the local government which nominated the area

1 elects to terminate such designation as an empower-
2 ment zone or renewal community.

3 “(b) APPLICATION OF CERTAIN RULES; DEFINI-
4 TIONS.—For purposes of this subchapter—

5 “(1) rules similar to the rules of subsections
6 (b), (c), and (d) of section 1392 and paragraphs (4),
7 (7), (8), and (9) of section 1393(a) shall apply, and

8 “(2) any term defined in section 1393 shall
9 have the same meaning when used in this sub-
10 chapter.

11 “(c) DISCRETION TO ADJUST REQUIREMENTS.—In
12 determining whether a nominated area is eligible for des-
13 ignation as a manufacturing redevelopment zone, the Sec-
14 retary may, where necessary to carry out the purposes of
15 this part, waive the requirement of section 1392(a)(4) if
16 it is shown that the nominated area has experienced a loss
17 of manufacturing jobs during the previous 20 years which
18 is in excess of 25 percent.

19 **“SEC. 1400U-3. MANUFACTURING REDEVELOPMENT TAX**
20 **CREDIT BONDS.**

21 “(a) IN GENERAL.—For purposes of subpart I of
22 part IV of subchapter A (relating to qualified tax credit
23 bonds), the term ‘manufacturing redevelopment bond’
24 means any bond issued as part of an issue if—

1 “(1) 100 percent of the available project pro-
2 ceeds of such issue are to be used for one or more
3 qualified manufacturing redevelopment purposes,

4 “(2) the bond is not a private activity bond,
5 and

6 “(3) the local government which nominated the
7 area to which such bond relates designates such
8 bond for purposes of this section.

9 “(b) LIMITATION ON AMOUNT OF BONDS DES-
10 IGNATED.—The maximum aggregate face amount of
11 bonds which may be designated under subsection (a) with
12 respect to any manufacturing redevelopment zone shall
13 not exceed \$150,000,000.

14 “(c) QUALIFIED MANUFACTURING REDEVELOPMENT
15 PURPOSE.—For purposes of this section, the term ‘quali-
16 fied manufacturing redevelopment purposes’ means capital
17 expenditures paid or incurred with respect to property lo-
18 cated in a manufacturing redevelopment zone for purposes
19 of promoting development or other economic activity in
20 such zone, including expenditures for environmental reme-
21 diation, improvements to public infrastructure, and con-
22 struction of public facilities.

23 “(d) DEFINITIONS.—For purposes of this section,
24 any term used in this section which is also used in section

1 54A shall have the same meaning given such term by sec-
2 tion 54A.

3 **“SEC. 1400U-4. TAX-EXEMPT MANUFACTURING ZONE FACIL-**
4 **ITY BONDS.**

5 “(a) IN GENERAL.—For purposes of part IV of sub-
6 chapter B (relating to tax exemption requirements for
7 State and local bonds), the term ‘exempt facility bond’ in-
8 cludes any bond issued as part of an issue if—

9 “(1) 95 percent or more of the net proceeds (as
10 defined in section 150(a)(3)) of such issue are to be
11 used for manufacturing zone property, and

12 “(2) the local government which nominated the
13 area to which such bond relates designates such
14 bond for purposes of this section.

15 “(b) LIMITATION ON AMOUNT OF BONDS DES-
16 IGNATED.—

17 “(1) IN GENERAL.—The aggregate face amount
18 of bonds which may be designated under subsection
19 (a)(2) with respect to any manufacturing redevelop-
20 ment zone shall not exceed \$230,000,000.

21 “(2) CURRENT REFUNDING NOT TAKEN INTO
22 ACCOUNT.—In the case of a refunding (or series of
23 refundings) of a bond designated under this section,
24 the refunding obligation shall be treated as des-

1 ignated under subsection (a)(2) (and shall not be
2 taken into account in applying paragraph (1)) if—

3 “(A) the amount of the refunding bond
4 does not exceed the outstanding amount of the
5 refunded bond, and

6 “(B) the refunded bond is redeemed not
7 later than 90 days after the date of issuance of
8 the refunding bond.

9 “(c) LIMITATION ON AMOUNT OF BONDS ALLOCABLE
10 TO ANY PERSON.—

11 “(1) IN GENERAL.—Subsection (a) shall not
12 apply to any issue if the aggregate amount of out-
13 standing manufacturing zone facility bonds allocable
14 to any person (taking into account such issue) ex-
15 ceeds—

16 “(A) \$15,000,000 with respect to any 1
17 manufacturing redevelopment zone, or

18 “(B) \$20,000,000 with respect to all man-
19 ufacturing redevelopment zones.

20 “(2) AGGREGATE ENTERPRISE ZONE FACILITY
21 BOND BENEFIT.—For purposes of paragraph (1),
22 the aggregate amount of outstanding manufacturing
23 zone facility bonds allocable to any person shall be
24 determined under rules similar to the rules of sec-

1 tion 144(a)(10), taking into account only bonds to
2 which subsection (a) applies.

3 “(d) MANUFACTURING ZONE PROPERTY.—For pur-
4 poses of this section—

5 “(1) IN GENERAL.—The term ‘manufacturing
6 zone property’ means any property to which section
7 168 applies (or would apply but for section 179) if—

8 “(A) such property was acquired by the
9 taxpayer by purchase (as defined in section
10 179(d)(2)) after the date on which the designa-
11 tion of the manufacturing redevelopment zone
12 took effect,

13 “(B) the original use of which in the man-
14 ufacturing redevelopment zone commences with
15 the taxpayer, and

16 “(C) substantially all of the use of which
17 is in the manufacturing redevelopment zone and
18 is in the active conduct of a qualified business
19 by the taxpayer in such zone.

20 “(2) QUALIFIED BUSINESS.—The term ‘quali-
21 fied business’ means any trade or business except
22 that—

23 “(A) the rental to others of real property
24 located in a manufacturing redevelopment zone
25 shall be treated as a qualified business only if

1 the property is not residential rental property
2 (as defined in section 168(e)(2)), and

3 “(B) such term shall not include any trade
4 or business consisting of the operation of any
5 facility described in section 144(c)(6)(B).

6 “(3) SPECIAL RULES FOR SUBSTANTIAL REN-
7 OVATIONS AND SALE-LEASEBACK.—Rules similar to
8 the rules of subsections (a)(2) and (b) of section
9 1397D shall apply for purposes of this subsection.

10 “(e) NONAPPLICATION OF CERTAIN RULES.—Sec-
11 tions 57(a)(5) (relating to tax-exempt interest), 146 (re-
12 lating to volume cap), and 147(d) (relating to acquisition
13 of existing property not permitted) shall not apply to any
14 manufacturing zone facility bond.

15 **“SEC. 1400U-5. ADDITIONAL LOW-INCOME HOUSING CRED-**
16 **ITS.**

17 “(a) IN GENERAL.—For purposes of section 42, in
18 the case of each calendar year during which the designa-
19 tion of a manufacturing redevelopment zone is in effect,
20 the State housing credit ceiling of the State which includes
21 such manufacturing redevelopment zone shall be increased
22 by the lesser of—

23 “(1) the aggregate housing credit dollar amount
24 allocated by the State housing credit agency of such

1 State to buildings located in such manufacturing re-
2 development zone for such calendar year, or

3 “(2) the excess of—

4 “(A) the manufacturing zone housing
5 amount with respect to such manufacturing re-
6 development zone, over

7 “(B) the aggregate increases under this
8 subsection with respect to such zone for all pre-
9 ceding calendar years.

10 “(b) MANUFACTURING ZONE HOUSING AMOUNT.—

11 For purposes of subsection (a), the term ‘manufacturing
12 zone housing amount’ means, with respect to any manu-
13 facturing redevelopment zone, the product of \$20 multi-
14 plied by the population of such zone.

15 “(c) OTHER RULES.—

16 “(1) CARRYOVERS.—Rules similar to the rules
17 of section 1400N(c)(1)(C) shall apply for purposes
18 of this section.

19 “(2) RETURNED AMOUNTS.—If any amount of
20 State housing credit ceiling which was taken into ac-
21 count under subsection (a)(1) is returned within the
22 meaning of section 42(h)(3)(C)(iii)—

23 “(A) such amount shall not be taken into
24 account under such section, and

1 “(B) such allocation shall cease to be
2 treated as an increase under this subsection for
3 purposes of subsection (a)(2)(B) until reallo-
4 cated.”.

5 (b) APPLICATION OF WORK OPPORTUNITY TAX
6 CREDIT TO MANUFACTURING REDEVELOPMENT
7 ZONES.—Subparagraphs (A) and (B) of section 51(d)(5)
8 of such Code are each amended by inserting “manufac-
9 turing redevelopment zone,” after “renewal community,”.

10 (c) CONFORMING AMENDMENTS RELATED TO MANU-
11 FACTURING REDEVELOPMENT TAX CREDIT BONDS.—

12 (1) GENERAL RULES.—Part IV of subchapter A
13 of chapter 1 of such Code (relating to credits
14 against tax) is amended by adding at the end the
15 following new subpart:

16 **“Subpart I—Qualified Tax Credit Bonds**

“Sec. 54A. Credit to holders of qualified tax credit bonds.

17 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CRED-**
18 **IT BONDS.**

19 “(a) ALLOWANCE OF CREDIT.—If a taxpayer holds
20 a qualified tax credit bond on one or more credit allowance
21 dates of the bond during any taxable year, there shall be
22 allowed as a credit against the tax imposed by this chapter
23 for the taxable year an amount equal to the sum of the

1 credits determined under subsection (b) with respect to
2 such dates.

3 “(b) AMOUNT OF CREDIT.—

4 “(1) IN GENERAL.—The amount of the credit
5 determined under this subsection with respect to any
6 credit allowance date for a qualified tax credit bond
7 is 25 percent of the annual credit determined with
8 respect to such bond.

9 “(2) ANNUAL CREDIT.—The annual credit de-
10 termined with respect to any qualified tax credit
11 bond is the product of—

12 “(A) the applicable credit rate, multiplied
13 by

14 “(B) the outstanding face amount of the
15 bond.

16 “(3) APPLICABLE CREDIT RATE.—For purposes
17 of paragraph (2), the applicable credit rate is the
18 rate which the Secretary estimates will permit the
19 issuance of qualified tax credit bonds with a speci-
20 fied maturity or redemption date without discount
21 and without interest cost to the qualified issuer. The
22 applicable credit rate with respect to any qualified
23 tax credit bond shall be determined as of the first
24 day on which there is a binding, written contract for
25 the sale or exchange of the bond.

1 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
2 DEMPTION.—In the case of a bond which is issued
3 during the 3-month period ending on a credit allow-
4 ance date, the amount of the credit determined
5 under this subsection with respect to such credit al-
6 lowance date shall be a ratable portion of the credit
7 otherwise determined based on the portion of the 3-
8 month period during which the bond is outstanding.
9 A similar rule shall apply when the bond is redeemed
10 or matures.

11 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

12 “(1) IN GENERAL.—The credit allowed under
13 subsection (a) for any taxable year shall not exceed
14 the excess of—

15 “(A) the sum of the regular tax liability
16 (as defined in section 26(b)) plus the tax im-
17 posed by section 55, over

18 “(B) the sum of the credits allowable
19 under this part (other than subpart C and this
20 subpart).

21 “(2) CARRYOVER OF UNUSED CREDIT.—If the
22 credit allowable under subsection (a) exceeds the
23 limitation imposed by paragraph (1) for such taxable
24 year, such excess shall be carried to the succeeding
25 taxable year and added to the credit allowable under

1 subsection (a) for such taxable year (determined be-
2 fore the application of paragraph (1) for such suc-
3 ceeding taxable year).

4 “(d) QUALIFIED TAX CREDIT BOND.—For purposes
5 of this section—

6 “(1) QUALIFIED TAX CREDIT BOND.—The term
7 ‘qualified tax credit bond’ means a manufacturing
8 redevelopment bond (as defined in section 1400U-3)
9 which is part of an issue that meets the require-
10 ments of paragraphs (2), (3), (4), (5), and (6).

11 “(2) SPECIAL RULES RELATING TO EXPENDI-
12 TURES.—

13 “(A) IN GENERAL.—An issue shall be
14 treated as meeting the requirements of this
15 paragraph if, as of the date of issuance, the
16 issuer reasonably expects—

17 “(i) 100 percent or more of the avail-
18 able project proceeds to be spent for 1 or
19 more qualified purposes within the 3-year
20 period beginning on such date of issuance,
21 and

22 “(ii) a binding commitment with a
23 third party to spend at least 10 percent of
24 such available project proceeds will be in-

1 curred within the 6-month period begin-
2 ning on such date of issuance.

3 “(B) FAILURE TO SPEND REQUIRED
4 AMOUNT OF BOND PROCEEDS WITHIN 3
5 YEARS.—

6 “(i) IN GENERAL.—To the extent that
7 less than 100 percent of the available
8 project proceeds of the issue are expended
9 by the close of the expenditure period for
10 1 or more qualified purposes, the issuer
11 shall redeem all of the nonqualified bonds
12 within 90 days after the end of such pe-
13 riod. For purposes of this paragraph, the
14 amount of the nonqualified bonds required
15 to be redeemed shall be determined in the
16 same manner as under section 142.

17 “(ii) EXPENDITURE PERIOD.—For
18 purposes of this subpart, the term ‘expend-
19 iture period’ means, with respect to any
20 issue, the 3-year period beginning on the
21 date of issuance. Such term shall include
22 any extension of such period under clause
23 (iii).

24 “(iii) EXTENSION OF PERIOD.—Upon
25 submission of a request prior to the expira-

1 tion of the expenditure period (determined
2 without regard to any extension under this
3 clause), the Secretary may extend such pe-
4 riod if the issuer establishes that the fail-
5 ure to expend the proceeds within the
6 original expenditure period is due to rea-
7 sonable cause and the expenditures for
8 qualified purposes will continue to proceed
9 with due diligence.

10 “(C) QUALIFIED PURPOSE.—For purposes
11 of this paragraph, the term ‘qualified purpose’
12 means a purpose specified in section 1400U-
13 3(a)(1).

14 “(D) REIMBURSEMENT.—For purposes of
15 this subtitle, available project proceeds of an
16 issue shall be treated as spent for a qualified
17 purpose if such proceeds are used to reimburse
18 the issuer for amounts paid for a qualified pur-
19 pose after the date that the Secretary makes an
20 allocation of bond limitation with respect to
21 such issue, but only if—

22 “(i) prior to the payment of the origi-
23 nal expenditure, the issuer declared its in-
24 tent to reimburse such expenditure with
25 the proceeds of a qualified tax credit bond,

1 “(ii) not later than 60 days after pay-
2 ment of the original expenditure, the issuer
3 adopts an official intent to reimburse the
4 original expenditure with such proceeds,
5 and

6 “(iii) the reimbursement is made not
7 later than 18 months after the date the
8 original expenditure is paid.

9 “(3) REPORTING.—An issue shall be treated as
10 meeting the requirements of this paragraph if the
11 issuer of qualified tax credit bonds submits reports
12 similar to the reports required under section 149(e).

13 “(4) SPECIAL RULES RELATING TO ARBI-
14 TRAGE.—

15 “(A) IN GENERAL.—An issue shall be
16 treated as meeting the requirements of this
17 paragraph if the issuer satisfies the require-
18 ments of section 148 with respect to the pro-
19 ceeds of the issue.

20 “(B) SPECIAL RULE FOR INVESTMENTS
21 DURING EXPENDITURE PERIOD.—An issue shall
22 not be treated as failing to meet the require-
23 ments of subparagraph (A) by reason of any in-
24 vestment of available project proceeds during
25 the expenditure period.

1 “(C) SPECIAL RULE FOR RESERVE
2 FUNDS.—An issue shall not be treated as fail-
3 ing to meet the requirements of subparagraph
4 (A) by reason of any fund which is expected to
5 be used to repay such issue if—

6 “(i) such fund is funded at a rate not
7 more rapid than equal annual installments,

8 “(ii) such fund is funded in a manner
9 that such fund will not exceed the amount
10 necessary to repay the issue if invested at
11 the maximum rate permitted under clause
12 (iii), and

13 “(iii) the yield on such fund is not
14 greater than the discount rate determined
15 under paragraph (5)(B) with respect to the
16 issue.

17 “(5) MATURITY LIMITATION.—

18 “(A) IN GENERAL.—An issue shall not be
19 treated as meeting the requirements of this
20 paragraph if the maturity of any bond which is
21 part of such issue exceeds the maximum term
22 determined by the Secretary under subpara-
23 graph (B).

24 “(B) MAXIMUM TERM.—During each cal-
25 endar month, the Secretary shall determine the

1 maximum term permitted under this paragraph
2 for bonds issued during the following calendar
3 month. Such maximum term shall be the term
4 which the Secretary estimates will result in the
5 present value of the obligation to repay the
6 principal on the bond being equal to 50 percent
7 of the face amount of such bond. Such present
8 value shall be determined using as a discount
9 rate the average annual interest rate of tax-ex-
10 empt obligations having a term of 10 years or
11 more which are issued during the month. If the
12 term as so determined is not a multiple of a
13 whole year, such term shall be rounded to the
14 next highest whole year.

15 “(e) OTHER DEFINITIONS.—For purposes of this
16 subchapter—

17 “(1) CREDIT ALLOWANCE DATE.—The term
18 ‘credit allowance date’ means—

19 “(A) March 15,

20 “(B) June 15,

21 “(C) September 15, and

22 “(D) December 15.

23 Such term includes the last day on which the bond
24 is outstanding.

1 “(2) BOND.—The term ‘bond’ includes any ob-
2 ligation.

3 “(3) STATE.—The term ‘State’ includes the
4 District of Columbia and any possession of the
5 United States.

6 “(4) AVAILABLE PROJECT PROCEEDS.—The
7 term ‘available project proceeds’ means—

8 “(A) the excess of—

9 “(i) the proceeds from the sale of an
10 issue, over

11 “(ii) the issuance costs financed by
12 the issue (to the extent that such costs do
13 not exceed 2 percent of such proceeds),
14 and

15 “(B) the proceeds from any investment of
16 the excess described in subparagraph (A).

17 “(f) CREDIT TREATED AS INTEREST.—For purposes
18 of this subtitle, the credit determined under subsection (a)
19 shall be treated as interest which is includible in gross in-
20 come.

21 “(g) S CORPORATIONS AND PARTNERSHIPS.—In the
22 case of a tax credit bond held by an S corporation or part-
23 nership, the allocation of the credit allowed by this section
24 to the shareholders of such corporation or partners of such
25 partnership shall be treated as a distribution.

1 “(h) BONDS HELD BY REGULATED INVESTMENT
2 COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

3 If any qualified tax credit bond is held by a regulated in-
4 vestment company or a real estate investment trust, the
5 credit determined under subsection (a) shall be allowed to
6 shareholders of such company or beneficiaries of such
7 trust (and any gross income included under subsection (f)
8 with respect to such credit shall be treated as distributed
9 to such shareholders or beneficiaries) under procedures
10 prescribed by the Secretary.”.

11 (2) REPORTING.—Subsection (d) of section
12 6049 of such Code (relating to returns regarding
13 payments of interest) is amended by adding at the
14 end the following new paragraph:

15 “(9) REPORTING OF CREDIT ON QUALIFIED
16 TAX CREDIT BONDS.—

17 “(A) IN GENERAL.—For purposes of sub-
18 section (a), the term ‘interest’ includes amounts
19 includible in gross income under section 54A
20 and such amounts shall be treated as paid on
21 the credit allowance date (as defined in section
22 54A(e)(1)).

23 “(B) REPORTING TO CORPORATIONS,
24 ETC.—Except as otherwise provided in regula-
25 tions, in the case of any interest described in

1 subparagraph (A) of this paragraph, subsection
2 (b)(4) of this section shall be applied without
3 regard to subparagraphs (A), (H), (I), (J), (K),
4 and (L)(i).

5 “(C) REGULATORY AUTHORITY.—The Sec-
6 retary may prescribe such regulations as are
7 necessary or appropriate to carry out the pur-
8 poses of this paragraph, including regulations
9 which require more frequent or more detailed
10 reporting.”.

11 (3) OTHER CONFORMING AMENDMENTS RE-
12 LATED TO TAX CREDIT BONDS.—

13 (A) Sections 54(c)(2) and 1400N(l)(3)(B)
14 of such Code are each amended by striking
15 “subpart C” and inserting “subparts C and I”.

16 (B) Section 1397E(c)(2) of such Code is
17 amended by striking “subpart H” and inserting
18 “subparts H and I”.

19 (C) Section 6401(b)(1) of such Code is
20 amended by striking “and H” and inserting
21 “H, and I”.

22 (D) The heading of subpart H of part IV
23 of subchapter A of chapter 1 of such Code is
24 amended by striking “**Certain Bonds**” and

1 inserting “**Clean Renewable Energy**
2 **Bonds**”.

3 (E) The table of subparts for part IV of
4 subchapter A of chapter 1 of such Code is
5 amended by striking the item relating to sub-
6 part H and inserting the following new items:

“SUBPART H—NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE
ENERGY BONDS.

“SUBPART I—QUALIFIED TAX CREDIT BONDS.”.

7 (d) CLERICAL AMENDMENT.—The table of parts for
8 subchapter Y of chapter 1 of such Code is amended by
9 adding at the end the following new item:

“PART III—MANUFACTURING REDEVELOPMENT BONDS”.

10 (e) EFFECTIVE DATE.—

11 (1) IN GENERAL.—Except as otherwise pro-
12 vided in this subsection, the amendments made by
13 this section shall apply to taxable years ending after
14 the date of the enactment of this Act.

15 (2) BOND PROVISIONS.—Sections 1400U-3 and
16 1400U-4 of the Internal Revenue Code of 1986 (as
17 added by subsection (a)), and the amendments made
18 by subsection (c), shall apply to obligations issued
19 after the date of the enactment of this Act.

20 (3) WORK OPPORTUNITY TAX CREDIT.—The
21 amendments made by subsection (b) shall apply to

1 individuals who begin work for the employer after
2 the date of the enactment of this Act.

3 **SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTER-**
4 **EST ALLOCATION.**

5 (a) IN GENERAL.—Paragraphs (5)(D) and (6) of sec-
6 tion 864(f) of the Internal Revenue Code of 1986 are each
7 amended by striking “December 31, 2008” and inserting
8 “December 31, 2011”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2008.