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December 20, 2010

The Honorable Harry Reid Majority Leader, U.S. Senate 522 Hart Senate Office Building Washington, D.C. 20510

The Honorable Max Baucus Chairman Committee on Finance 219 Dirksen Senate Office Building Washington, D.C. 20510 The Honorable Mitch McConnell Minority Leader, U.S. Senate 361-A Russell Senate Office Building Washington, D.C. 20515

The Honorable Chuck Grassley Ranking Minority Member Committee on Finance 219 Dirksen Senate Office Building Washington, D.C. 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Baucus, and Ranking Member Grassley:

The National Association of State Workforce Agencies (NASWA) is writing to urge the passage of H.R. 6517, the Omnibus Trade bill which would reauthorize the Trade Adjustment Assistance (TAA) program expansions. The American Recovery and Reinvestment Act of 2009 (Recovery Act) reauthorized the TAA program for two years while expanding the scope, benefits and services under the program. Without Congressional action by the end of this month, these valuable enhancements to TAA will expire.

If the program expires or is extended retroactively, State workforce agencies will face a difficult situation as they will continue to administer multiple TAA programs with varying eligibility, benefits and services. This will create more confusion for workers and impose added administrative burdens on states. Workers covered by petitions filed before January 1, 2011, whether the petitions are certified before or after that date, would be eligible to receive the **expanded benefits as enacted in the Recovery Act**; however, workers covered after that date would be subject to the more **limited eligibility, benefits and services of the long-standing TAA program.**

As many states cope with record long-term unemployment, a reduction in the number of TAA certified workers will add to this burden. Between May 2009 and the end of September, 2010, the TAA program saw a 42 percent increase in the number of workers who might have been <u>ineligible</u> for TAA without the expansion. In Arizona, for example, roughly 8,400 workers were TAA-eligible during this period; a 58 percent increase in the number of workers of the expansion contained in the Recovery Act.

In addition, a lapse in the expanded TAA program will result in a general reduction in the TAA program that includes the following:

- Certified workers must wait until separation from employment in order to begin training, even when lay-offs are announced in advance;
- Workers will have up to 26 fewer weeks of income support while enrolled in training and there will be no
 option for part-time training;
- A reduction in the number of workers 50 years of age and older eligible for a wage subsidy; and
- Funding for training would be cut by more than half, from \$575 million to \$220 million.

Page 2 December 20, 2010

NASWA urges an extension of the TAA program by the end of the year and supports the changes to the TAA program under the Recovery Act are made permanent so U.S. workers who are adversely affected by trade are afforded the opportunity to obtain the resources they need to become reemployed.

Sincerely,

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Dr. Rochelle L. Webb President, National Association of State Workforce Agencies Administrator Arizona Department of Economic Security Employment Administration