



February 18, 2009

## Trade Adjustment Assistance Program Expanded, Extended

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (the "Act"). In addition to addressing tax cuts and domestic spending projects to boost economic growth, the Act expands current trade adjustment assistance ("TAA") programs. TAA, which expired on December 31, 2007, has been extended through December 31, 2010.

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Originally implemented in the Trade Act of 1974, TAA was established to assist workers who were employed by a firm producing an article and who lost their jobs (or whose hours of work and wages were reduced) as a result of increased imports or shifts in production to foreign countries.

House and Senate members worked out a bipartisan compromise to reauthorize and expand TAA. Among other things, the Act:

- extends TAA benefits to service sector workers and firms;
- increases funding for training;
- creates a TAA for Communities program;
- expands TAA coverage for U.S. suppliers of component parts;
- provides automatic eligibility for workers suffering from unfair trade and import surges;
- increases funding for TAA for Firms and streamlines eligibility criteria for TAA for Farmers;
- creates more flexible training options and improves the affordability of health coverage; and



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- creates an Office of Trade Adjustment Assistance within the Department of Labor, which will make eligibility determinations, give technical assistance to petitioners, and explain benefits to participants.

The Act streamlines multiple training enrollment deadlines and allows states to grant training waivers to workers with postgraduate degrees in order to give them more time for a job search. In addition, the Act requires the collection and reporting of data related to the TAA program and its performance, including data on worker outcomes.

Separately, TAA provides technical assistance that helps trade-impacted firms make adjustments to remain competitive in the global economy. The Act expands TAA assistance for firms, including service firms, by increasing the program's funding and creating flexibility for firms to demonstrate eligibility for the program. The funding for TAA firm programs increased from \$16 million to \$50 million per year.

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