The yeas and nays were ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 222, nays 190, answered ''present'' 2, not voting 18, as follows:

[Roll No. 1023]

YEAS—222

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Buchanan
Butterfield
Capps
Capuano
Cardoza
Carnahan
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gerlach
Gillibrand
Gonzalez
Goode
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Kirk
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuster
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Sutton
Tanner
Tauscher
Taylor
Thompson (MS)
Tierney
Towns
Tsongas
Udall (NM)
Velázquez
Visclosky
Walberg
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (NM)
Woolsey
Wu
Wynn
Yarmuth

NAYS—190

Aderholt
Akin
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carney
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Giffords
Gilchrest
Gingrey
Goodlatte
Gordon
Granger
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kline (MN)
Knollenberg
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuler
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stupak
Sullivan
Terry
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Turner
Udall (CO)
Upton
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—2

Gohmert
Tancredo

NOT VOTING—18

Alexander
Baird
Blackburn
Carson
Cooper
Cubin
Davis, Lincoln
Ellison
Hill
Jindal
McCaul (TX)
Neal (MA)
Paul
Renzi
Schiff
Van Hollen
Weller
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1211

So the Journal was approved.

The result of the vote was announced as above recorded.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 106

Mr. FORTUÑO. Madam Speaker, I ask unanimous consent to withdraw my cosponsorship of H. Res. 106.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 294. An act to reauthorize Amtrak, and for other purposes.

S. 2198. An act to require the Architect of the Capitol to permit the acknowledgement of God on flag certificates.

S. 2265. An act to extend the existing provisions regarding the eligibility for essential air service subsidies through fiscal year 2008.

The message also announced that pursuant to section 2(b) of Public Law 98–183, as amended by Public Law 103–419, the Chair, on behalf of the President pro tempore and upon the recommendation of the Republican Leader, appoints Gail Heriot, of California, to the United States Commission on Civil Rights, for a term of six years.

TRADE AND GLOBALIZATION ASSISTANCE ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to H. Res. 781, I call up the bill (H.R. 3920) to amend the Trade Act of 1974 to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers and firms, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:se 12256

H.R. 3920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Trade and Globalization Act of 2007''.

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

SEC. 2. FINDINGS.

Congress makes the following findings:

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

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

(3) While the United States manufacturing sector has been the hardest hit by increased unemployment, the United States service sector has also seen declines as jobs have moved to low-cost labor markets, such as China, India, and the Philippines.

(4) Promoting the economic growth and competitiveness of the United States requires—

(A) opening substantial new markets for United States goods, services, and farm products;

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

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

(5) Congress created the trade adjustment assistance program in 1962 to provide United States workers who lose their jobs because of foreign competition with government-funded training and associated income support to enable such workers to transition to new, good-paying jobs.

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

(7) Workers in the service sector, who make up approximately 80 percent of the United States workforce, are ineligible for trade adjustment assistance.

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

(9) Unnecessary, unduly burdensome, and confusing program eligibility rules prevent workers from gaining access to benefits for which they are eligible.

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

(11) To meet the challenges posed by globalization and to preserve the critical role that United States workers play in promoting the strength and prosperity of the United States, the trade adjustment assistance program must be reformed.

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.

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

(1) in paragraph (1)—

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

(i) by striking ''Secretary'' and inserting ''Secretary of Labor''; and

(ii) by striking ''or subdivision'' and inserting (or subdivision) or public agency (or subdivision); and

(B) in subparagraph (A), by striking ''firm)'' and inserting ''firm, and workers in a service sector firm or subdivision of a service sector firm, or public agency)''; and

(2) in paragraph (3), by inserting ''and on the Website of the Department of Labor'' after ''Federal Register''.

(b) GROUP ELIGIBILITY REQUIREMENTS.—

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

(A) in the matter preceding paragraph (1), by striking ''(including workers in any agricultural firm or subdivision of an agricultural firm)'' and inserting ''(other than workers in a public agency)'';

(B) in paragraph (2)—

(i) in subparagraph (A)(ii), by striking ''like or directly competitive with articles produced'' and inserting ''or services like or directly competitive with articles produced or services provided''; and

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

''(B)(i) there has been a shift, by such workers' firm or subdivision to a foreign country, of production of articles, or in provision of services, like or directly competitive with articles that are produced, or services that are provided, by such firm or subdivision; or

''(ii) such workers' firm or subdivision has obtained or is likely to obtain articles or services described in clause (i) from a foreign country.''.

(2) WORKERS IN PUBLIC AGENCIES.—Such section is further amended—

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

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

''(b) ADVERSELY AFFECTED WORKERS IN PUBLIC AGENCIES.—A group of workers in a public agency shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter pursuant to a petition filed under section 221 if the Secretary determines that—

''(1) a significant number or proportion of the workers in the public agency, or an appropriate subdivision of the public agency, have become totally or partially separated, or are threatened to become totally or partially separated; and

''(2) the public agency or subdivision has obtained or is likely to obtain from a foreign country services that would otherwise be provided by such agency or subdivision.''.

(3) ADVERSELY AFFECTED SECONDARY WORKERS.—Subsection (c) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) in the matter preceding paragraph (1), by striking ''agricultural firm)'' and inserting ''agricultural firm, and workers in a service sector firm or subdivision of a service sector firm)'';

(B) in paragraph (2)—

(i) by inserting ''or service'' after ''related to the article''; and

(ii) by striking ''(c)(3)'' and inserting ''(d)(3)''; and

(C) in paragraph (3)(A), by striking ''it supplied to the firm (or subdivision)'' and inserting ''or services it supplied to the firm (or subdivision)''.

(4) DEFINITIONS AND ELIGIBILITY.—Subsection (d) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) by striking ''(d) For purposes of this section—'' and inserting ''(d) DEFINITIONS AND ELIGIBILITY.—For purposes of this section:''

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

''(3) DOWNSTREAM PRODUCER.——The term 'downstream producer' means a firm that performs additional, value-added production processes or services for a firm or subdivision, including a firm that performs final assembly, finishing, testing, packaging, or maintenance or transportation services directly for another firm (or subdivision), for articles or services that were the basis for a certification of eligibility under subsection (a) of a group of workers employed by such other firm (or subdivision).'';

(C) in paragraph (4)—

(i) by striking ''for articles'' and inserting '', or services, used in the production of articles or in the provision of services, as the case may be,''; and

(ii) by inserting ''(or subdivision)'' after ''such other firm''; and

(D) by adding at the end the following:

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

(5) BASIS FOR SECRETARY'S DETERMINATIONS.—Such section is further amended by adding at the end the following:

''(e) BASIS FOR SECRETARY'S DETERMINATIONS.—

''(1) INCREASED IMPORTS OF SERVICES.—For purposes of subsection (a)(2)(A)(ii), the Secretary may determine that increased imports of like or directly competitive services exist if the customers of the workers' firm or subdivision accounting for not less than 20 percent of the sales of the workers' firm or subdivision (as the case may be) certify to the Secretary that such customers are obtaining such services from a foreign country.

''(2) SHIFT IN PRODUCTION; OBTAINING ARTICLES OR SERVICES ABROAD.—For purposes of subsections (a)(2)(B) and (b)(2), the Secretary may determine that there has been a shift in production of articles or provision of services, or that a workers' firm or public agency, or subdivision thereof, has obtained or is likely to obtain like or directly competitive articles or services from a foreign country, based on a certification thereof from the workers' firm, public agency, or subdivision (as the case may be).

''(3) PROCESS AND METHODS FOR OBTAINING CERTIFICATIONS.—

''(A) REQUEST BY PETITIONER.—If requested by the petitioner, the Secretary shall obtain the certifications under paragraphs (1) and (2) in such manner as the Secretary determines is appropriate, including by issuing subpoenas under section 249 when necessary.

''(B) PROTECTION OF CONFIDENTIAL INFORMATION.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.''.

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

(1) in the matter preceding paragraph (1), by striking ''chapter—'' and inserting ''chapter:'';

(2) in paragraph (1)—

(A) by inserting '', or employment in a public agency or appropriate subdivision of a public agency,'' after ''of a firm''; and

(B) by striking ''such firm or subdivision'' inserting ''such firm (or subdivision) or public agency (or subdivision)'';

(3) in paragraph (2), by striking ''employment—'' and all that follows and inserting ''employment has been totally or partially separated from such employment.'';

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

(5) by inserting after paragraph (6) the following:

''(7) The term 'public agency' means a department or agency of a State or local government or of the Federal Government.

''(8) The term 'service sector firm' means an entity engaged in the business of providing services.

''(9) Except as otherwise provided, the term 'Secretary' means the Secretary of Labor.''.

SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.

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

(1) in subsection (b), by striking ''before his application'' and all that follows and inserting ''before the worker's application under section 231 occurred more than one year before the date of the petition on which such certification was granted.'';

(2) in subsection (c), by striking ''together with his reasons'' and inserting ''and on the Website of the Department of Labor, together with the Secretary's reasons''; and

(3) in subsection (d), by striking ''together with his reasons'' and inserting ''and on the Website of the Department of Labor, together with the Secretary's reasons''.

SEC. 103. MONITORING AND REPORTING RELATING TO SERVICE SECTOR.

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

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

(2) in the first sentence—

(A) by striking ''The Secretary'' and inserting ''(a) MONITORING PROGRAMS.—The Secretary'';

(B) by inserting ''and services'' after ''imports of articles'';

(C) by inserting ''and domestic provision of services'' after ''domestic production'';

(D) by inserting ''or providing services'' after ''producing articles''; and

(E) by inserting '', or provision of services,'' after ''changes in production''; and

(3) by adding at the end the following:

''(b) COLLECTION OF DATA AND REPORTS ON SERVICE SECTOR.—

''(1) SECRETARY OF LABOR.—Not later than 90 days after the date of the enactment of the Trade and Globalization Act of 2007, the Secretary of Labor shall implement a system to collect data on adversely affected workers employed in the service sector that includes the number of workers by State, industry, and cause of dislocation of each worker.

''(2) SECRETARY OF COMMERCE.—Not later than 1 year after such date of enactment, the Secretary of Commerce shall, in consultation with the Secretary of Labor, conduct a study and report to Congress on ways to improve the timeliness and coverage of data on trade in services, including methods to identify increased imports due to the relocation of United States firms to foreign countries, and increased imports due to United States firms obtaining services from firms in foreign countries.''.

(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 282 and inserting the following:

''Sec. 282. Trade monitoring and data collection.''.

Subtitle B—Industry-Wide Trade Adjustment Assistance

SEC. 111. INDUSTRY-WIDE DETERMINATIONS.

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

''SEC. 223A. INDUSTRY-WIDE DETERMINATIONS.

''(a) INVESTIGATION.—Upon the request of the President or the United States Trade Representative, or the resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, with respect to a domestic industry, or if the Secretary certifies groups of workers in a domestic industry under section 223(a) pursuant to 3 petitions within a 180-day period, the Secretary shall promptly initiate an investigation under this chapter to determine the eligibility for adjustment assistance of—

''(1) all workers in that domestic industry; or

''(2) all workers in that domestic industry in a specific geographic region.

''(b) DETERMINATION REGARDING INDUSTRY-WIDE CERTIFICATION.—

''(1) DETERMINATION.—The Secretary shall, not later than 60 days after receiving a request or resolution described in subsection (a) with respect to a domestic industry, or making the third certification of workers in a domestic industry described in subsection (a), as the case may be—

''(A) determine whether all adversely affected workers in that domestic industry are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e); or

''(B) determine whether all adversely affected workers in that domestic industry in a specific geographic region are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e).

''(c) IDENTIFICATION AND CERTIFICATION.—

''(1) AFFIRMATIVE DETERMINATION.—

''(A) IN GENERAL.—Upon making an affirmative determination under subsection (b), the Secretary shall—

''(i) identify all firms operating within the domestic industry described in paragraph (1) or (2) or subsection (b) that are covered by the determination;

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

''(B) OTHER REQUIREMENTS.—

''(i) IN GENERAL.—Each certification under subparagraph (A)(ii) shall specify the date on which the total or partial separation began or threatened to begin, except that—

''(I) with respect to a request or a resolution under subsection (a), such date may not be a date that precedes one year before the date on which the Secretary receives the request or resolution, as the case may be; and

''(II) with respect to the third certification of workers in a domestic industry described in subsection (a), such date may not be a date that precedes one year before the date on which the Secretary certifies the 3d such petition.

''(ii) INAPPLICABILITY.—A certification under subparagraph (A)(ii) shall not apply to any worker whose last total or partial separation from the firm occurred before the applicable date specified in clause (i).

''(2) NEGATIVE DETERMINATION.—If the Secretary makes a negative determination under subsection (b), the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the reasons for the Secretary's determination.

''(3) PUBLICATION.—Upon making a determination under subsection (b), the Secretary shall promptly publish a summary of the determination in the Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination.

''(4) TERMINATION.—Whenever the Secretary determines that a certification under paragraph (1) is no longer warranted, the Secretary shall terminate the certification and promptly have notice of the termination published in the Federal Register and on the

Website of the Department of Labor, together with the reasons for making such determination under this paragraph. Such termination shall apply only with respect to total or partial separations occurring after the termination date specified by the Secretary.

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

''(e) REGULATIONS.—The Secretary shall, not later than 1 year after the date of the enactment of the Trade and Globalization Act of 2007, issue regulations for making determinations under this section, including criteria for making such determinations. The Secretary shall develop such regulations in consultation with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and the Secretary shall submit such regulations to each such committee at least 60 days before the regulations go into effect.

''(f) DOMESTIC INDUSTRY DEFINED.—In this section, the term 'domestic industry' means an industry in the United States, as that industry is defined by the North American Industry Classification System.''.

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

''Sec. 223A. Industry-wide determinations.''.

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

(1) in section 225—

(A) in subsection (a), in the last sentence by inserting ''or 223A'' after ''223''; and

(B) in subsection (b)—

(i) in paragraph (1), by striking ''subchapter A of this chapter'' and inserting ''this subchapter''; and

(ii) in paragraph (2), by striking ''subchapter A'' and inserting ''this subchapter''; and

(2) in section 231—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking ''more than 60 days'' and all that follows through ''section 221'' and inserting ''on or after the date of such certification''; and

(ii) in paragraph (1)—

(I) in subparagraph (B), by inserting ''or 223A (as the case may be)'' after ''223''; and

(II) in subparagraph (C), by inserting ''or 223A(c)(4), as the case may be'' after ''223(d)''; and

(B) in subsection (b)—

(i) by striking paragraph (2); and

(ii) in paragraph (1)—

(I) by striking ''(1)'';

(II) by redesignating subparagraphs (A) and (B) as paragraph (1) and (2), respectively;

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

(IV) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.

SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS AND SAFEGUARDS.

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

(1) in the heading, by striking ''**STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION**'' and inserting ''**STUDY AND NOTIFICATIONS REGARDING TRADE REMEDY DETERMINATIONS**'';

(2) in subsection (a), by striking ''Whenever'' and inserting ''STUDY OF DOMESTIC INDUSTRY.—Whenever'';

(3) in subsection (b)—

(A) by striking ''The report'' and inserting ''REPORT BY THE SECRETARY.—The report'';

(B) by striking ''his report'' and inserting ''the Secretary's report''; and

(C) by inserting ''and on the Website of the Department of Labor'' after ''Federal Register''; and

(4) by adding at the end the following:

''(c) NOTIFICATIONS REGARDING AFFIRMATIVE SAFEGUARD DETERMINATIONS UNDER SECTION 202.—Upon issuing an affirmative finding regarding serious injury, or the threat thereof, to a domestic industry, under section 202, the Commission shall notify the Secretary and the Secretary of Commerce of that finding and the identity of the firms which comprise the domestic industry.

''(d) NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS UNDER SECTION 421.—Upon issuing an affirmative determination of market disruption, or the threat thereof, under section 421, the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

''(e) NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS UNDER TARIFF ACT OF 1930.—Upon issuing a final affirmative determination of injury, or the threat thereof, under section 705 or section 735 of the Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

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

''(1) the Secretary shall—

''(A) notify the firms identified by the Commission as comprising the domestic industry affected, and any certified or recognized union or other duly authorized representatives of the workers in such industry, of the allowances, training, employment services, and other benefits available under this chapter, and the procedures under this chapter for filing petitions and applying for benefits;

''(B) notify the Governor of each State in which one or more firms described in subparagraph (A) are located of the Commission's determination and the identity of the firms; and

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

''(2) the Secretary of Commerce shall—

''(A) notify the firms identified by the Commission as comprising the domestic industry affected of the benefits under chapter 3 and the procedures under such chapter for filing petitions and applying for benefits; and

''(B) provide the necessary assistance to firms to file petitions under section 251.''.

(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 224 and inserting the following:

''Sec. 224. Study and notifications regarding trade remedy determinations.''.

SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.

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

''(c) Upon issuing a certification under section 223 or 223A, the Secretary shall notify the Secretary of Commerce of the identify of the firm or firms that are covered by the certification.''.

SEC. 114. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

(a) IN GENERAL.—Subchapter A of chapter 2 of title II of the trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended by adding at the end the following new section:

''SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

''No benefit allowances, training, or other employment services may be provided under this chapter to a worker who is an alien unless the alien is an individual lawfully admitted for permanent residence to the United States, is lawfully present in the United States, or is permanently residing in the United States under color of law.''.

(b) CONFORMING AMENDMENT.—The table of contents of the Trade Act of 1974 is amended by adding after the item relating to section 225 the following:

''226. Restriction on eligibility for program benefits.''.

Subtitle C—Program Benefits

SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.

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

(1) by striking subclauses (I) and (II) and inserting the following:

''(I) in the case of a worker whose most recent total separation from adversely affected employment that meets the requirements of paragraphs (1) and (2) occurs after the date on which the Secretary issues a certification covering the worker, the last day of the 26th week after such total separation,

''(II) in the case of a worker whose most recent total separation from adversely affected employment that meets the requirements of paragraphs (1) and (2) occurs before the date on which the Secretary issues a certification covering the worker, the last day of the 26th week after the date of such certification,''; and

(2) in subclause (III)—

(A) by striking ''later of the dates specified in subclause (I) or (II)'' and inserting ''date specified in subclause (I) or (II), as the case may be''; and

(B) by striking ''or'' at the end;

(3) by redesignating subclause (IV) as subclause (V); and

(4) by inserting after subclause (III) the following:

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

(b) WAIVERS OF TRAINING REQUIREMENTS.—Subsection (c) of such section 231 is amended—

(1) in paragraph (1)(B)—

(A) by striking ''The worker possesses'' and inserting

''(i) IN GENERAL.—The worker possesses'';

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

(C) by adding at the end the following:

''(ii) MARKETABLE SKILLS DEFINED.—For purposes of clause (i), the term 'marketable skills' may include the possession of a postgraduate degree from an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965) or equivalent foreign institution, or the possession of

an equivalent postgraduate certification in a specialized field.''; and

(2) in paragraph (3)—

(A) in subparagraph (A), by striking ''may authorize'' and inserting ''shall authorize'';

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

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

''(B) DURATION OF WAIVERS.—A waiver issued under paragraph (1) by a cooperating State shall be effective for not more than 3 months after the date on which the waiver is issued, except that the State, upon reviewing the waiver, may extend the waiver for an additional period of not more than 3 months if the State determines that the waiver should be maintained.''.

(c) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—Such section 231 is further amended by adding at the end the following:

''(d) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—All determinations of eligibility for trade readjustment allowances under this part shall be made by employees of the State who are appointed on a merit basis.''.

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

SEC. 122. WEEKLY AMOUNTS.

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

(1) in subsection (a)—

(A) by striking ''subsections (b) and (c)'' and inserting ''subsections (b), (c), and (d)'';

(B) by striking ''total unemployment'' the first place it appears and inserting ''unemployment''; and

(C) in paragraph (2), by adding at the end before the period the following: '', except that in the case of an adversely affected worker who is participating in full-time training under this chapter, such income shall not include earnings from work for such week that are equal to or less than the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 231(a)(3)(B))'';

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

(3) by inserting after subsection (a) the following:

''(b)(1) Notwithstanding section 231(a)(3)(B), if an adversely affected worker who is participating in training qualifies for unemployment insurance under State law, based in whole or in part upon part-time or short-term employment following approval of the worker's initial trade readjustment allowance application under section 231(a), then for any week for which unemployment insurance is payable and for which the worker would otherwise be entitled to a trade readjustment allowance based upon the certification under section 223, the worker shall, in addition to any such unemployment insurance, be paid a trade readjustment allowance in the amount described in paragraph (2).

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

''(A) the amount of the unemployment insurance benefit payable to such worker for that week of unemployment for which a trade readjustment allowance is payable under paragraph (1); and

''(B) the amounts described in paragraphs (1) and (2) of subsection (a).''.

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

(1) in subsection (a)(1), by striking ''section 232(a)'' and inserting ''subsections (a) and (b) of section 232''; and

(2) in subsection (c), by striking ''section 232(b)'' and inserting ''section 232(c)''.

SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES; ALLOWANCES FOR EXTENDED TRAINING AND BREAKS IN TRAINING.

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

(1) in paragraph (2), by inserting ''under paragraph (1)'' after ''trade readjustment allowance'';

(2) in paragraph (3)—

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

(i) by striking ''52 additional weeks'' and inserting ''78 additional weeks''; and

(ii) by striking ''52-week'' and inserting ''91-week''; and

(B) in the matter following subparagraph (B), by striking ''52-week'' and inserting ''91-week''.

SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGIBILITY PERIOD.

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

''(g) SPECIAL RULE FOR CALCULATING SEPARATION.—Notwithstanding any other provision of this chapter, any period during which a judicial or administrative appeal is pending with respect to the denial by the Secretary of a petition under section 223 shall not be counted for purposes of calculating the period of separation under subsection (a)(2) or for purposes of calculating time periods specified in section 231(a)(5)(A).

''(h) SPECIAL RULE FOR JUSTIFIABLE CAUSE.—The Secretary may extend the periods during which trade readjustment allowances are payable to an adversely affected worker under paragraphs (2) and (3) of subsection (a) and under subsection (f) (but not the maximum amounts of such allowances that are payable under this section), if the Secretary determines that there is justifiable cause for such an extension, such as the failure to provide the worker with timely information, delays in certification due to administrative reconsideration or judicial review, or justifiable breaks in training that exceed the period allowable under subsection (e).''.

SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS ON GOOD CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING OF CLAIMS.

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

(1) by striking ''Except where inconsistent'' and inserting ''(a) IN GENERAL.—Except where inconsistent''; and

(2) by adding at the end the following:

''(b) STATE LAWS AND REGULATIONS ON GOOD CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING OF CLAIMS.—Any law or regulation of a cooperating State under section 239 that allows for a waiver for good cause of any time limit, including a waiver for good cause to allow the late filing of any claim, for trade readjustment allowances or other adjustment assistance under this chapter shall, in the administration of the program by the State under this chapter, apply to the applicable time limitation referred to or specified in this chapter or any regulation prescribed to carry out this chapter.''.

SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

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

''SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

''The Secretary shall provide, directly or through agreements with States under section 239, to adversely affected workers covered by a certification under subchapter A of this chapter the following employment and case management services:

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

''(A) diagnostic testing and use of other assessment tools; and

''(B) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

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

''(3) Information on training available in local and regional areas, information on individual counseling to determine which training is suitable training, and information on how to apply for such training.

''(4) Information on how to apply for financial aid, including referring workers to educational opportunity centers under section 402F of the Higher Education Act of 1965, where applicable, and notifying workers that the workers may ask financial aid administrators at institutions of higher education to allow use of their current year income in the financial aid process.

''(5) Short-term prevocational services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for employment or training.

''(6) Individual career counseling, including job search and placement counseling, during the period in which the individual is receiving a trade adjustment allowance or training under this chapter, and for purposes of job placement after receiving such training.

''(7) Provision of employment statistics information, including the provision of accurate information relating to local, regional, and national labor market areas, including—

''(A) job vacancy listings in such labor market areas;

''(B) information on jobs skills necessary to obtain jobs identified in job vacancy listings described in subparagraph (A);

''(C) information relating to local occupations that are in demand and earnings potential of such occupations; and

''(D) skills requirements for local occupations described in subparagraph (C).

''(8) Supportive services, including services relating to child care, transportation, dependent care, housing assistance, and need-related payments that are necessary to enable an individual to participate in training.''.

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

''235. Employment and case management services.''.

SEC. 127. TRAINING.

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

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

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

''(A) The total amount of payments that may be made under paragraph (1) for each of the fiscal years 2008 and 2009 shall not exceed $440,000,000. The total amount of payments that may be made under paragraph (1) for fiscal year 2010 and each subsequent fiscal year shall not exceed $660,000,000.''; and

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

''(B) Not later than 120 days after the date of the enactment of the Trade and Globalization Act of 2007, the Secretary shall establish and implement procedures for the allocation among the States in each fiscal year of funds available to pay the costs of training for workers under this section. The Secretary shall, at least 60 days before the date on which the procedures described in this subparagraph are first implemented, consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate with respect to such procedures.

''(C) In establishing and implementing the procedures under subparagraph (B), the Secretary shall—

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

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

''(I) the number of workers certified under sections 223 and 223A in the preceding fiscal year;

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

''(III) the minimum level of funding necessary to provide training approved under this section; and

''(IV) notifications under the Worker Adjustment and Retraining Notification Act or other layoff notifications;

''(iii) after the initial distribution of training funds to States at the beginning of each fiscal year, provide for subsequent distributions of training funds remaining, based on the factors described in clause (ii) (but, in the case of the factor described in subclause (I) of clause (ii), based on data from the preceding 2 fiscal quarters) if a State requests the distribution of the remaining funds;

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

''(v) develop an explicit policy for re-capture and redistribution of training funds, to the extent such re-capture and redistribution of training funds is necessary.''.

(c) DETERMINATIONS REGARDING TRAINING.—Subsection (a)(9) of such section is amended—

(1) by striking ''The Secretary'' and inserting ''(A) Subject to subparagraph (B), the Secretary''; and

(2) by adding at the end the following:

''(B)(i) In determining under paragraph (1)(E) whether a worker is qualified to undertake and complete training, the Secretary may not disallow training for a period longer than the worker's period of eligibility for trade readjustment allowances under part I if the worker demonstrates that the worker has sufficient financial resources to complete the training after the expiration of the worker's period of eligibility for such trade readjustment allowances.

''(ii) In determining the reasonable cost of training under paragraph (1)(F) with respect to a worker, the Secretary may consider whether other public or private funds are reasonably available to the worker, except that the Secretary may not require a worker to obtain such funds as a condition of approval of training under paragraph (1).''.

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

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

(2) by inserting after subsection (d) the following:

''(e) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—All determinations of eligibility for training under this section shall be made by employees of the State who are appointed on a merit basis.''.

(e) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study of the procedures for the allocation of training funds for workers under subparagraphs (B) and (C) of section 236(a)(2) of the Trade Act of 1974 (19 U.S.C. 2296), as added by subsection (a) of this section, that are established and implemented by the Secretary of Labor pursuant to such section. In carrying out the study, the Comptroller General shall examine the overall adequacy of funding for training for workers by State and the effectiveness of the procedures for allocating training funds between States and among workers.

(2) REPORTS.—

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

(B) FINAL REPORT.—The Comptroller General of the United States shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a final report that contains the results of the study conducted under paragraph (1) for the first three fiscal years with respect to which the procedures described in paragraph (1) are implemented.

SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAINING PROGRAMS.

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

(1) in subparagraph (A)—

(A) by striking ''and'' at the end of clause (i);

(B) by adding ''and'' at the end of clause (ii); and

(C) by inserting after clause (ii) the following:

''(iii) apprenticeship programs registered under the National Apprenticeship Act (29 U.S.C. 50 et seq.),'';

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

(3) by inserting after subparagraph (D) the following:

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

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

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

(6) by adding at the end the following:

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

''(i) obtaining a degree or certification; or

''(ii) completing a degree or certification that the worker had previously begun at an accredited institution of higher education.

The Secretary may not limit approval of a training program under paragraph (1) to a program provided pursuant to title I of the Workforce Investment Act of 1998.''.

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

(1) in subsection (a)(2), by inserting ''prerequisite education or'' after ''requires a program of''; and

(2) in subsection (f) (as redesignated by section 121(d) of this Act), by inserting ''prerequisite education or'' after ''includes a program of''.

SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE AND PROGRAM BENEFITS WHILE IN TRAINING.

(a) IN GENERAL.—Section 236(d) of the Trade Act of 1974 (19 U.S.C. 2296(d)) is amended to read as follows:

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

''(1) because the worker—

''(A) is enrolled in training approved under subsection (a); or

''(B) left work—

''(i) that was not suitable employment to enter such training; or

''(ii) that the worker engaged in on a temporary basis during a break in such training or a delay in the commencement of such training; or

''(2) because the provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work apply to a week of training approved under subsection (a).''.

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

(1) in section 233(d) (as redesignated by section 121(d) of this Act), by inserting ''suitable'' before ''on-the-job training''; and

(2) in section 236—

(A) by inserting ''suitable'' before ''on-the-job training'' each place it appears; and

(B) by adding at the end the following:

''(h) SUITABLE ON-THE-JOB TRAINING.—For purposes of this section, the term 'suitable on-the-job training' means on-the-job training—

''(1) that can reasonably be expected to lead to suitable employment;

''(2) that is compatible with the skills of the worker;

''(3) that—

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

''(B) can be measured by benchmarks that indicate that the worker is learning such skills; and

''(4) that is certified by the State as an on-the-job training program that meets the requirements of paragraph (3).''.

SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

(a) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974

(19 U.S.C. 2295 et seq.) is amended by inserting after section 236 the following:

''SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

''(a) ADMINISTRATIVE EXPENSES.—

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

''(2) USE OF FUNDS.—A State that receives an additional payment under paragraph (1) shall use the payment for administration of the trade adjustment assistance for workers program under this chapter, including for—

''(A) processing of waivers of training requirements under section 231;

''(B) collecting of data required under this chapter; and

''(C) providing services under section 235.

''(3) ADMINISTRATION REQUIREMENT.—Funds provided to a State under this subsection for a fiscal year that are in excess of the amount of funds provided to the State for administration of the trade adjustment assistance for workers program under this chapter for fiscal year 2007 may only be administered by employees of the State who are appointed on a merit basis.

''(b) ADDITIONAL FUNDING FOR EMPLOYMENT AND CASE MANAGEMENT SERVICES.—

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

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

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

''(c) FUNDING.—Funds provided to the States under this section shall not be counted toward the limitation contained in section 236(a)(2)(A).''.

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

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

SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.

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

(1) in subsection (a)(2)(C)(ii), by striking '', unless the worker received a waiver under section 231(c)''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''90 percent of the cost of'' and inserting ''all''; and

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

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

(1) in subsection (a)(2)(E)(ii), by striking '', unless the worker received a waiver under section 231(c)''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''90 percent of the'' and inserting ''all''; and

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

Subtitle D—Health Care Provisions

SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE ASSISTANCE FOR CERTAIN TAA AND PBGC PENSION RECIPIENTS.

(a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

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

(2) CONFORMING AMENDMENT.—Subsection (b) of section 7527 of such Code is amended by striking ''65 percent'' and inserting ''85 percent''.

(b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT COMPENSATION AND NOT ENROLLED IN TRAINING PROGRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section 35(c) of such Code is amended to read as follows:

''(2) ELIGIBLE TAA RECIPIENT.—The term 'eligible TAA recipient' means, with respect to any month, any individual who—

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

''(B) who is receiving unemployment compensation (as defined in section 85) for such month and who would be eligible to receive such allowance for such month if section 231 of such Act were applied without regard to subsections (a)(3)(B) and (a)(5) thereof.

An individual shall continue to be treated as an eligible TAA recipient during the first month that such individual would otherwise cease to be an eligible TAA recipient by reason of the preceding sentence.''.

(c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE RETROACTIVE TO TAA-RELATED LOSS OF EMPLOYMENT.—Subsection (c) of section 35 of such Code is amended by adding at the end the following new paragraph:

''(5) RETROACTIVE ELIGIBILITY FOR TAA RECIPIENTS.—In the case of any individual who is an eligible TAA recipient or eligible alternative TAA recipient for any month, such individual shall be treated as an eligible individual for any month which precedes such month and which begins after the later of—

''(A) the date of the separation from employment which gives rise to such individual being an eligible TAA recipient or eligible alternative TAA recipient, or

''(B) December 31, 2007.''.

(d) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

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

''(9) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the amount of the credit under this section with respect to any qualifying family members of such individual (and any advance payment of such credit under section 7527). This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in subsection (f)(2)(A).

''(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual's spouse, such spouse shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

''(C) DEATH.—In the case of the death of an eligible individual—

''(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

''(ii) any individual who was a qualifying family member of the decedent immediately before such death (or, in the case of an individual to whom paragraph (4) applies, the taxpayer to whom the deduction under section 151 is allowable) shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such death, except that in determining the amount of such credit only such qualifying family member may be taken into account.''.

(2) CONFORMING AMENDMENT.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following:

''(8) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for paragraph (7)(B)(i), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the eligibility of qualifying family members of such individual under this subsection. This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in paragraph (7)(B)(i).

''(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual's spouse, such spouse shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

''(C) DEATH.—In the case of the death of an eligible individual—

''(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

''(ii) any individual who was a qualifying family member of the decedent immediately before such death shall be treated as an eligible individual for purposes this subsection for a period of 36 months beginning with the date of such death, except that no qualifying family members may be taken into account with respect to such individual.''.

(e) MODIFICATION OF CREDITABLE COVERAGE REQUIREMENT.—

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

''(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph, the term 'qualifying individual' means an eligible individual and the qualifying family members of such individual if such individual meets the requirements of clauses (iii) and (iv) of subsection (b)(1)(A) and—

''(i) in the case of an eligible TAA recipient or an eligible alternative TAA recipient, has (as of the date on which the individual seeks to enroll in the coverage described in subparagraphs (B) through (H) of paragraph (1)) a period of creditable coverage (as defined in section 9801(c)), or

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

''(I) the last day of the first month with respect to which such recipient becomes an eligible PBGC pension recipient, or

''(II) the date of the enactment of this subparagraph.''.

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

''(ii) QUALIFYING INDIVIDUAL.—For purposes of this subparagraph, the term 'qualifying individual' means an eligible individual and the qualifying family members of such individual if such individual meets the requirements of clauses (iii) and (iv) of section 35(b)(1)(A) of the Internal Revenue Code of 1986 and—

''(I) in the case of an eligible TAA recipient or an eligible alternative TAA recipient, has (as of the date on which the individual seeks to enroll in the coverage described in clauses (ii) through (viii) of subparagraph (A)) a period of creditable coverage (as defined in section 9801(c) of such Code), or

''(II) in the case of an eligible PBGC pension recipient, enrolls in such coverage during the 90-day period beginning on the later of—

''(aa) the last day of the first month with respect to which such recipient becomes an eligible PBGC pension recipient, or

''(bb) the date of the enactment of this clause.''.

(3) OUTREACH.—The Secretary of the Treasury shall carry out a program to notify individuals prior to their becoming eligible PBGC pension recipients (as defined in section 35 of the Internal Revenue Code of 1986) of the requirement of subsection (e)(2)(B)(ii) of such section, as added by this subsection.

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

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

''(D) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 4980B(f)(5)(C)(iv).''.

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

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 605(b)(4)(c).''.

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

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 2205(b)(4)(c).''.

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

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

''(v) RATING SYSTEM REQUIREMENT.—In the case of coverage described in paragraph (1)(F)(ii), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.''.

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

''(V) RATING SYSTEM REQUIREMENT.—In the case of coverage described in subparagraph (A)(vi)(II), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.''.

(h) TERMINATION OF PROGRAM.—

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

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

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

''(8) TERMINATION.—An individual shall not be treated as an eligible individual for purposes of this subsection for any month beginning after December 31, 2009, unless such individual was an eligible individual for a continuous period of months ending with such month and beginning before such date.''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to months beginning after December 31, 2007, in taxable years ending after such date.

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

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

(j) GAO STUDY AND REPORT.—

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

(2) REPORT.—Not later than March 1, 2009, the Comptroller General shall submit a report to Congress regarding the results of the study conducted under paragraph (1). Such report shall include an analysis of—

(A) the administrative costs—

(i) of the Federal Government with respect to such credit and the advance payment of such credit under section 7527 of such Code, and

(ii) of providers of qualified health insurance with respect to providing such insurance to eligible individuals and their qualifying family members,

(B) the health status and relative risk status of eligible individuals and qualifying family members covered under such insurance,

(C) participation in such credit and the advance payment of such credit by eligible individuals and their qualifying family members, including the reasons why such individuals did or did not participate and the effect of the amendments made by this section on such participation, and

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

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

(ii) went without health insurance coverage.

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

(A) within the possession or control of providers of qualified health insurance, and

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

The Comptroller General shall not disclose the identity of any provider of qualified health insurance or any eligible individual in making any information obtained under this section available to the public.

(4) DEFINITIONS.—Any term which is defined in section 35 of the Internal Revenue Code of 1986 shall have the same meaning when used in this subsection.

Subtitle E—Wage Insurance

SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR OLDER WORKERS.

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

(1) by amending the heading to read as follows: ''**REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE**'';

(2) in subsection (a)—

(A) in paragraph (1), by striking ''alternative'' and inserting ''reemployment'';

(B) in paragraph (2)(A), by striking ''for a period not to exceed 2 years'' and inserting ''for the eligibility period under paragraph (3)(C)''; and

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

''(3) ELIGIBILITY.—

''(A) IN GENERAL.—A group of workers certified under subchapter A as eligible for adjustment assistance under subchapter A is eligible for benefits described in paragraph (2) under the program established under paragraph (1).

''(B) INDIVIDUAL ELIGIBILITY.—A worker in a group of workers described in subparagraph (A) may elect to receive benefits described in paragraph (2) under the program established under paragraph (1) if the worker—

''(i) is at least 50 years of age;

''(ii) earns not more than $60,000 each year in wages from reemployment;

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

''(II) is employed at least 20 hours per week and is enrolled in training approved under section 236; and

''(iv) does not return to the employment from which the worker was separated.

In the case of a worker described in clause (iii)(II), the percentage referred to in paragraph (2)(A) shall be deemed to be a percentage equal to ½ of the ratio of weekly hours of employment referred to in clause (iii)(II) to weekly hours of employment of that worker at the time of separation (but not more than 50 percent).

''(C) ELIGIBILITY PERIOD FOR PAYMENTS.—A worker in a group of workers described in subparagraph (A) may receive payments described in paragraph (2)(A) under the program established under paragraph (1) for a period not to exceed 2 years from the date on which the worker exhausts all rights to unemployment insurance based on the separation of the worker from adversely affected employment or the date on which the worker obtains reemployment, whichever is earlier.

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

''(4) TOTAL AMOUNT OF PAYMENTS.—The payments described in paragraph (2)(A) made to a worker may not exceed $12,000 per worker during the eligibility period under paragraph (3)(C).

''(5) LIMITATION ON OTHER BENEFITS.—A worker described in paragraph (3) may not receive a trade readjustment allowance under part I of subchapter B during any week for which the worker receives a payment described in paragraph (2)(A).''; and

(3) in subsection (b)(2), by striking ''subsection (a)(3)(B)'' and inserting ''subsection (a)(3)''.

(b) EXTENSION OF PROGRAM.—Subsection (b)(1) of such section is amended by striking ''5'' and inserting ''10''.

(c) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 246 and inserting the following:

''Sec. 246. Reemployment trade adjustment assistance program.''.

Subtitle F—Other Matters

SEC. 161. AGREEMENTS WITH STATES.

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

(1) by striking ''will'' each place it appears and inserting ''shall''; and

(2) in clause (2), to read as follows: ''(2) in accordance with subsection (f), shall provide adversely affected workers covered by a certification under subchapter A the employment and case management services described in section 235''.

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

(1) in paragraph (3), by striking ''and'' at the end;

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

''(4) perform outreach, intake (which may include worker profiling) and orientation for assistance and benefits available under this chapter for adversely affected workers covered by a certification under subchapter A of this chapter, and''; and

(3) by adding at the end the following:

''(5) provide adversely affected workers covered by a certification under subchapter A of this chapter with employment and case management services described in section 235.''.

SEC. 162. FRAUD AND RECOVERY OF OVERPAYMENTS.

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

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

(A) by striking ''may waive'' and inserting ''shall waive''; and

(B) by striking '', in accordance with guidelines prescribed by the Secretary,'' and

(2) in subparagraph (B), by striking ''would be contrary to equity and good conscience'' and inserting ''would cause a financial hardship for the individual (or the individual's household, if applicable) when taking into consideration the income and resources reasonably available to the individual (or household) and other ordinary living expenses of the individual (or household)''.

SEC. 163. TECHNICAL AMENDMENTS.

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

(1) in the heading, by striking ''subpena'' and inserting ''subpoena''; and

(2) in the text, by striking ''subpena'' and inserting ''subpoena'' each place it appears.

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

''249. Subpoena power.''.

SEC. 164. OFFICE OF TRADE ADJUSTMENT ASSISTANCE; DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

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

''SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE; DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

''(a) ESTABLISHMENT.—There is established in the Department of Labor an office to be known as the Office of Trade Adjustment Assistance (hereinafter in this section referred to as the 'Office').

''(b) HEAD OF OFFICE.—The head of the Office shall be the Deputy Assistant Secretary for Trade Adjustment Assistance (hereinafter in this section referred to as the 'Deputy Assistant Secretary'), who shall be appointed by the President, by and with the advice and consent of the Senate.

''(c) PRINCIPLE FUNCTIONS.—The principle functions of the Deputy Assistant Secretary shall be—

''(1) to oversee and implement the administration of trade adjustment assistance for workers under this chapter; and

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

''(A) making determinations under section 223 or 223A;

''(B) providing information about the program and assisting groups of workers and other parties to prepare petitions or applications for program benefits under section 225;

''(C) ensuring workers covered by a certification receive the employment services described in section 235;

''(D) ensuring States fully comply with agreements under section 239;

''(E) acting as a vigorous advocate for workers applying for assistance under this chapter;

''(F) receiving complaints, grievances, and requests for assistance from workers under this chapter;

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

''(H) carrying out such other duties with respect to this chapter as the President may specify for purposes of this section.''.

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

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

SEC. 165. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

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

''SEC. 250A. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

''(a) IN GENERAL.—Not later than 90 days after the date of the enactment of the Trade and Globalization Act of 2007, the Secretary shall implement a system to collect and publicly disseminate data on all adversely affected workers who apply for or receive adjustment assistance under this chapter.

''(b) DATA TO BE INCLUDED.—The system required under subsection (a) shall include

collection of the following data classified by State, industry, and nationwide totals:

''(1) The number of petitions and number of workers covered by petitions filed, certified and denied.

''(2) The date of filing of each petition and the date of the determination, and the average processing time, by year, on petitions.

''(3) A breakdown, by the claimed cause of dislocation, of petitions denied, such as increased imports, shift in production, and other bases for eligibility.

''(4) A breakdown of the number of certified petitions by the cause of dislocation, such as increase in imports, shift in production, and other causes of eligibility for adjustment assistance.

''(5) The number of workers participating in any aspect of the adjustment assistance program under this chapter.

''(6) Reemployment rates and sectors in which dislocated workers have been employed after receiving adjustment assistance under this chapter.

''(7) The type of adjustment assistance received under this chapter, such as training or education assistance, reemployment adjustment assistance, cash benefits, health coverage, and relocation allowances, the number of workers receiving each type of assistance, and the average duration of time workers receive each type of assistance.

''(8) The fields of training or education in which workers receiving training or education benefits under this chapter are enrolled, the number of workers participating in each field, classified by major types of training or education.

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

''(10) The number of training waivers granted, classified by type of waiver.

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

''(12) The average duration of training that was completed.

''(c) REPORT.—Not later than 16 months after the date of the enactment of the Trade and Globalization Act of 2007, and annually thereafter, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and any other congressional committee of appropriate jurisdiction, a report on whether changes to eligibility requirements, benefits, or training funding under the trade adjustment assistance program under this chapter should be made based on the data collected under subsection (b).

''(d) AVAILABILITY ON WEBSITE OF THE DEPARTMENT OF LABOR.—The Secretary shall make the data collected under subsection (b) publicly available on the website of the Department of Labor, in a searchable format, and shall update the data quarterly.''.

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

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

SEC. 166. EXTENSION OF TAA PROGRAM.

(a) FOR WORKERS.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking ''December 31, 2007'' and inserting ''September 30, 2012''.

(b) TERMINATION.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by striking ''December 31, 2007'' each place it appears and inserting ''September 30, 2012''.

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

SEC. 167. JUDICIAL REVIEW.

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

(1) in subsection (a)—

(A) by inserting ''or 223A'' after ''223''; and

(B) by striking ''271'' and inserting ''273'';

(2) by amending subsection (b) to read as follows:

''(b) STANDARD OF REVIEW.—The Court of International Trade shall have jurisdiction to review the case as provided in section 706 of title 5, Untied States Code. The findings of fact by the Secretary of Labor, the Secretary of Commerce, or the Secretary of Agriculture, as the case may be, must be supported by substantial evidence and must be based on a reasonable investigation. The Court of International Trade may—

''(1) remand the case to such Secretary to take further evidence; or

''(2) reverse the action of such Secretary.

If the case is remanded under paragraph (1), the Secretary concerned may make new or modified findings of fact and may modify the Secretary's previous action, and shall certify to the court the record of the further proceedings. The new or modified findings of fact must be supported by substantial evidence and must be based on a reasonable investigation.''; and

(3) in subsection (c), by striking the first sentence.

SEC. 168. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

(a) IN GENERAL.—Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391 et seq.) is amended by adding at the end the following:

''SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

''The provisions of chapter 2 (relating to adjustment assistance for workers) and the provisions of chapter 3 (relating to adjustment assistance for firms) shall be liberally construed in favor of certifying workers for assistance under such chapter 2 and certifying firms for assistance under such chapter 3.''.

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

''Sec. 288. Liberal construction of certification of workers and firms.''.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) in subsection (a), by inserting ''or service sector firm'' after ''(including any agricultural firm'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting ''or service sector firm'' after ''any agricultural firm''; and

(ii) in subparagraph (B)—

(I) in clause (i), by striking '', or'' and inserting a comma;

(II) in clause (ii)—

(aa) by inserting ''or service'' after ''of an article''; and

(bb) by striking '', and'' and inserting a comma; and

(III) by adding at the end the following:

''(iii) sales or production, or both, of the firm, during the period consisting of not more than 36 months preceding the most recent 12-month period for which data are available, have decreased absolutely, or

''(iv) sales or production, or both, of an article or service that accounted for not less than 25 percent of the total production or sales of the firm during the 36-month period preceding the most recent 12-month period for which data are available have decreased absolutely, and''; and

(B) in the matter preceding subparagraph (A) of paragraph (2) , by striking ''paragraph (1)(C)—'' and inserting ''paragraph (1)(C):''; and

(3) by adding at the end the following:

''(e) BASIS FOR THE DETERMINATION OF THE SECRETARY.—

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

''(A) may use data from any of the preceding three calendar years to determine if the requirements of such subsection have been met; and

''(B) may determine that increases of imports of like or directly competitive articles or services exist if customers accounting for a significant percentage of the decrease in the sales of the firm certify to the Secretary that such customers are obtaining such articles or services from a foreign country.

''(2) PROCESS AND METHODS FOR OBTAINING CERTIFICATIONS.—

''(A) REQUEST BY PETITIONER.—If requested by a firm, the Secretary shall obtain the certifications under paragraph (1)(B) in such manner as the Secretary determines is appropriate.

''(B) PROTECTION OF CONFIDENTIAL INFORMATION.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.

''(f) NOTIFICATION TO FIRMS OF AVAILABILITY OF BENEFITS.—Upon receiving notice from the Secretary of Labor under section 225(c) of the identity of a firm or firms that are covered by a certification issued under section 223 or 223A, the Secretary of Commerce shall notify such firm or firms of the availability of adjustment assistance under this chapter.''.

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

(1) by striking ''For purposes of'' and inserting ''(a) FIRM.—For purposes of''; and

(2) by adding at the end the following:

''(b) SERVICE SECTOR FIRM.—For purposes of this chapter, the term 'service sector firm' means a firm engaged in the business of providing services.''.

SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) by striking ''and $4,000,000 for the 3-month period beginning on October 1, 2007,'' inserting ''and $50,000,000 for each of fiscal years 2008 through 2012,'' after ''fiscal years 2003 through 2007,''; and

(2) by inserting after the first sentence the following: ''Of the amounts appropriated pursuant to this subsection for each fiscal year, $350,000 shall be available for full-time positions in the Department of Commerce to administer the program under this chapter.''.

SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOPMENT OF NEW SERVICES.

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

(1) in the first sentence, by striking ''new product development'' and inserting ''the development of new products and services''; and

(2) in the second sentence, by inserting '', 223A,'' after ''223''.

TITLE III—UNEMPLOYMENT INSURANCE

SEC. 301. SHORT TITLE.

This title may be cited as the ''Unemployment Insurance Modernization Act''.

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

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

''Special Transfers in Fiscal Years 2008 Through 2012 for Modernization

''(f)(1)(A) In addition to any other amounts, the Secretary of Labor shall provide for the making of unemployment compensation modernization incentive payments (hereinafter 'incentive payments') to the accounts of the States in the Unemployment Trust Fund, by transfer from amounts reserved for that purpose in the Federal unemployment account, in accordance with succeeding provisions of this subsection.

''(B) The maximum incentive payment allowable under this subsection with respect to any State shall, as determined by the Secretary of Labor, be equal to the amount obtained by multiplying $7,000,000,000 times the same ratio as is applicable under subsection (a)(2)(B) for purposes of determining such State's share of any funds to be transferred under subsection (a) as of October 1, 2007.

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

''(i) one-third shall be transferred to the account of such State upon a certification under paragraph (4)(B) that the State law of such State meets the requirements of paragraph (2); and

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

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

''(A) uses a base period that includes the most recently completed calendar quarter before the start of the benefit year for purposes of determining eligibility for unemployment compensation; or

''(B) provides that, in the case of an individual who would not otherwise be eligible for unemployment compensation under the State law because of the use of a base period that does not include the most recently completed calendar quarter before the start of the benefit year, eligibility shall be determined using a base period that includes such calendar quarter.

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

''(A) An individual shall not be denied regular unemployment compensation under any State law provisions relating to availability for work, active search for work, or refusal to accept work, solely because such individual is seeking only part-time (and not full-time) work, except that the State law provisions carrying out this subparagraph may exclude an individual if a majority of the weeks of work in such individual's base period do not include part-time work.

''(B) An individual shall not be disqualified from regular unemployment compensation for separating from employment if that separation is for compelling family reasons. For purposes of this subparagraph, the term 'compelling family reasons' includes at least the following:

''(i) Domestic violence (verified by such reasonable and confidential documentation as the State law may require) which causes the individual reasonably to believe that such individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family.

''(ii) The illness or disability of a member of the individual's immediate family.

''(iii) The need for the individual to accompany such individual's spouse—

''(I) to a place from which it is impractical for such individual to commute; and

''(II) due to a change in location of the spouse's employment.

''(C) Weekly unemployment compensation is payable under this subparagraph to any individual who is unemployed (as determined under the State unemployment compensation law), has exhausted all rights to regular and (if applicable) extended unemployment compensation under the State law, and is enrolled and making satisfactory progress in a State-approved training program or in a job training program authorized under the Workforce Investment Act of 1998. Such program shall prepare individuals who have been separated from a declining occupation, or who have been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment, for entry into a high-demand occupation. The amount of unemployment compensation payable under this subparagraph to an individual for a week of unemployment shall be equal to the individual's average weekly benefit amount (including dependents' allowances) for the most recent benefit year, and the total amount of unemployment compensation payable under this subparagraph to any individual shall be equal to at least 26 times the individual's average weekly benefit amount (including dependents' allowances) for the most recent benefit year.

''(4)(A) Any State seeking an incentive payment under this subsection shall submit an application therefor at such time, in such manner, and complete with such information as the Secretary of Labor may by regulation prescribe, including information relating to compliance with the requirements of paragraph (2) or (3), as well as how the State intends to use the incentive payment to improve or strengthen the State's unemployment compensation program. The Secretary of Labor shall, within 90 days after receiving a complete application, notify the State agency of the State of the Secretary's findings with respect to the requirements of paragraph (2) or (3) (or both).

''(B) If the Secretary of Labor finds that the State law provisions (disregarding any State law provisions which are not then currently in effect as permanent law or which are subject to discontinuation under certain conditions) meet the requirements of paragraph (2) or (3), as the case may be, the Secretary of Labor shall thereupon make a certification to that effect to the Secretary of the Treasury, together with a certification as to the amount of the incentive payment to be transferred to the State account pursuant to that finding. The Secretary of the Treasury shall make the appropriate transfer within 30 days after receiving such certification.

''(C)(i) No certification of compliance with the requirements of paragraph (2) or (3) may be made with respect to any State whose State law is not otherwise eligible for certification under section 303 or approvable under section 3304 of the Federal Unemployment Tax Act.

''(ii) No certification of compliance with the requirements of paragraph (3) may be made with respect to any State whose State law is not in compliance with the requirements of paragraph (2).

''(iii) No application under subparagraph (A) may be considered if submitted before October 1, 2007, or after the latest date necessary (as specified by the Secretary of Labor in regulations) to ensure that all incentive payments under this subsection are made before October 1, 2012.

''(5)(A) Except as provided in subparagraph (B), any amount transferred to the account of a State under this subsection may be used by such State only in the payment of cash benefits to individuals with respect to their unemployment (including for dependents' allowances and for unemployment compensation under paragraph (3)(C)), exclusive of expenses of administration.

''(B) A State may, subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection), use any amount transferred to the account of such State under this subsection for the administration of its unemployment compensation law and public employment offices.

''(6) Out of any money in the Federal unemployment account not otherwise appropriated, the Secretary of the Treasury shall reserve $7,000,000,000 for incentive payments under this subsection. Any amount so reserved shall not be taken into account for purposes of any determination under section 902, 910, or 1203 of the amount in the Federal unemployment account as of any given time. Any amount so reserved for which the Secretary of the Treasury has not received a certification under paragraph (4)(B) by the deadline described in paragraph (4)(C)(iii) shall, upon the close of fiscal year 2012, become unrestricted as to use as part of the Federal unemployment account.

''(7) For purposes of this subsection, the terms 'benefit year', 'base period', and 'week' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''Special Transfers in Fiscal Years 2008 Through 2012 for Administration

''(g)(1) Notwithstanding any other provision of this section, the total amount available for transfer to the accounts of the States pursuant to subsection (a) as of the beginning of each of fiscal years 2008, 2009, 2010, 2011, and 2012 shall be equal to the total amount which (disregarding this subsection) would otherwise be so available, increased by $100,000,000.

''(2) Each State's share of any additional amount made available by this subsection shall be determined, certified, and computed

in the same manner as described in subsection (a)(2) and shall be subject to the same limitations on transfers as described in subsection (b). For purposes of applying subsection (b)(2), the balance of any advances made to a State under section 1201 shall be credited against, and operate to reduce (but not below zero)—

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

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

''(3) Any additional amount transferred to the account of a State as a result of the enactment of this subsection—

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

''(i) the administration of the provisions of its State law carrying out the purposes of subsection (f)(2) or any subparagraph of subsection (f)(3);

''(ii) improved outreach to individuals who might be eligible for regular unemployment compensation by virtue of any provisions of the State law which are described in clause (i);

''(iii) the improvement of unemployment benefit and unemployment tax operations; and

''(iv) staff-assisted reemployment services for unemployment compensation claimants; and

''(B) shall be excluded from the application of subsection (c).

''(4) The total additional amount made available by this subsection in a fiscal year shall be taken out of the amounts remaining in the employment security administration account after subtracting the total amount which (disregarding this subsection) is otherwise required to be transferred from such account in such fiscal year pursuant to subsections (a) and (b).''.

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

SEC. 303. EXTENSION OF FUTA TAX.

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

(1) by striking ''2007'' in paragraph (1) and inserting ''2012'', and

(2) by striking ''2008'' in paragraph (2) and inserting ''2013''.

TITLE IV—MANUFACTURING REDEVELOPMENT ZONES

SEC. 401. MANUFACTURING REDEVELOPMENT ZONES.

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

''PART III—MANUFACTURING REDEVELOPMENT ZONES

''SEC. 1400U–1. DESIGNATION OF MANUFACTURING REDEVELOPMENT ZONES.

''(a) IN GENERAL.—From among the areas nominated for designation under this section, the Secretary may designate manufacturing redevelopment zones.

''(b) LIMITATIONS ON DESIGNATIONS.—The Secretary may designate in the aggregate 24 nominated areas as manufacturing redevelopment zones, subject to the availability of eligible nominated areas. The Secretary shall designate manufacturing redevelopment zones in such manner that the aggregate population of all such zones does not exceed 2,000,000.

''(c) PERIOD DESIGNATION MAY BE MADE.—A designation may be made under subsection (a) only during the 2-year period beginning on the date of the enactment of this section.

''(d) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation under this section shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

''(A) the close of the 10th calendar year beginning on or after the date of the designation,

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

''(C) the date the Secretary revokes the designation.

''(2) REVOCATION OF DESIGNATION.—The Secretary may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which it is located—

''(A) has modified the boundaries of the area, or

''(B) is not complying substantially with, or fails to make progress in achieving the benchmarks set forth in, the strategic plan included with the application

''(e) LIMITATIONS ON DESIGNATIONS; APPLICATION.—Rules similar to the rules of subsections (e) and (f) of section 1391 shall apply for purposes of this section except that the rules of such subsection (f) shall be applied with respect to the eligibility criteria specified in section 1400U–2.

''(f) DETERMINATIONS OF POPULATION.—Any determination of population under this part shall be made on the basis of the most recent decennial census for which data are available.

''SEC. 1400U–2. ELIGIBILITY CRITERIA.

''(a) IN GENERAL.—A nominated area shall be eligible for designation under section 1400U–1 only if—

''(1) it meets each of the criteria specified in section 1392(a),

''(2) the nominated area has experienced a significant decline in the number of individuals employed in manufacturing or has a high concentration of abandoned or underutilized manufacturing facilities, and

''(3) no portion of the nominated area is located in an empowerment zone or renewal community, unless the local government which nominated the area elects to terminate such designation as an empowerment zone or renewal community.

''(b) APPLICATION OF CERTAIN RULES; DEFINITIONS.—For purposes of this subchapter—

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

''(2) any term defined in section 1393 shall have the same meaning when used in this subchapter.

''(c) DISCRETION TO ADJUST REQUIREMENTS.—In determining whether a nominated area is eligible for designation as a manufacturing redevelopment zone, the Secretary may, where necessary to carry out the purposes of this part, waive the requirement of section 1392(a)(4) if it is shown that the nominated area has experienced a loss of manufacturing jobs during the previous 20 years which is in excess of 25 percent.

''SEC. 1400U–3. MANUFACTURING REDEVELOPMENT TAX CREDIT BONDS.

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

''(1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified manufacturing redevelopment purposes,

''(2) the bond is not a private activity bond, and

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

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under subsection (a) with respect to any manufacturing redevelopment zone shall not exceed $150,000,000.

''(c) QUALIFIED MANUFACTURING REDEVELOPMENT PURPOSE.—For purposes of this section, the term 'qualified manufacturing redevelopment purposes' means capital expenditures paid or incurred with respect to property located in a manufacturing redevelopment zone for purposes of promoting development or other economic activity in such zone, including expenditures for environmental remediation, improvements to public infrastructure, and construction of public facilities.

''(d) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 54A shall have the same meaning given such term by section 54A.

''SEC. 1400U–4. TAX-EXEMPT MANUFACTURING ZONE FACILITY BONDS.

''(a) IN GENERAL.—For purposes of part IV of subchapter B (relating to tax exemption requirements for State and local bonds), the term 'exempt facility bond' includes any bond issued as part of an issue if—

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

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

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—The aggregate face amount of bonds which may be designated under subsection (a)(2) with respect to any manufacturing redevelopment zone shall not exceed $230,000,000.

''(2) CURRENT REFUNDING NOT TAKEN INTO ACCOUNT.—In the case of a refunding (or series of refundings) of a bond designated under this section, the refunding obligation shall be treated as designated under subsection (a)(2) (and shall not be taken into account in applying paragraph (1)) if—

''(A) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(B) the refunded bond is redeemed not later than 90 days after the date of issuance of the refunding bond.

''(c) LIMITATION ON AMOUNT OF BONDS ALLOCABLE TO ANY PERSON.—

''(1) IN GENERAL.—Subsection (a) shall not apply to any issue if the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person (taking into account such issue) exceeds—

''(A) $15,000,000 with respect to any 1 manufacturing redevelopment zone, or

''(B) $20,000,000 with respect to all manufacturing redevelopment zones.

''(2) AGGREGATE ENTERPRISE ZONE FACILITY BOND BENEFIT.—For purposes of paragraph (1), the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person shall be determined under rules similar to the rules of section 144(a)(10), taking into account only bonds to which subsection (a) applies.

''(d) MANUFACTURING ZONE PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'manufacturing zone property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on which the designation of the manufacturing redevelopment zone took effect,

''(B) the original use of which in the manufacturing redevelopment zone commences with the taxpayer, and

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

''(2) QUALIFIED BUSINESS.—The term 'qualified business' means any trade or business except that—

''(A) the rental to others of real property located in a manufacturing redevelopment zone shall be treated as a qualified business only if the property is not residential rental property (as defined in section 168(e)(2)), and

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

''(3) SPECIAL RULES FOR SUBSTANTIAL RENOVATIONS AND SALE-LEASEBACK.—Rules similar to the rules of subsections (a)(2) and (b) of section 1397D shall apply for purposes of this subsection.

''(e) NONAPPLICATION OF CERTAIN RULES.—Sections 57(a)(5) (relating to tax-exempt interest), 146 (relating to volume cap), and 147(d) (relating to acquisition of existing property not permitted) shall not apply to any manufacturing zone facility bond.

''SEC. 1400U–5. ADDITIONAL LOW-INCOME HOUSING CREDITS.

''(a) IN GENERAL.—For purposes of section 42, in the case of each calendar year during which the designation of a manufacturing redevelopment zone is in effect, the State housing credit ceiling of the State which includes such manufacturing redevelopment zone shall be increased by the lesser of—

''(1) the aggregate housing credit dollar amount allocated by the State housing credit agency of such State to buildings located in such manufacturing redevelopment zone for such calendar year, or

''(2) the excess of—

''(A) the manufacturing zone housing amount with respect to such manufacturing redevelopment zone, over

''(B) the aggregate increases under this subsection with respect to such zone for all preceding calendar years.

''(b) MANUFACTURING ZONE HOUSING AMOUNT.—For purposes of subsection (a), the term 'manufacturing zone housing amount' means, with respect to any manufacturing redevelopment zone, the product of $20 multiplied by the population of such zone.

''(c) OTHER RULES.—

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

''(2) RETURNED AMOUNTS.—If any amount of State housing credit ceiling which was taken into account under subsection (a)(1) is returned within the meaning of section 42(h)(3)(C)(iii)—

''(A) such amount shall not be taken into account under such section, and

''(B) such allocation shall cease to be treated as an increase under this subsection for purposes of subsection (a)(2)(B) until reallocated.''.

(b) APPLICATION OF WORK OPPORTUNITY TAX CREDIT TO MANUFACTURING REDEVELOPMENT ZONES.—Subparagraphs (A) and (B) of section 51(d)(5) of such Code are each amended by inserting ''manufacturing redevelopment zone,'' after ''renewal community,''.

(c) CONFORMING AMENDMENTS RELATED TO MANUFACTURING REDEVELOPMENT TAX CREDIT BONDS.—

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

''Subpart I—Qualified Tax Credit Bonds

''SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a qualified tax credit bond on one or more credit allowance dates of the bond during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

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

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tax credit bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate is the rate which the Secretary estimates will permit the issuance of qualified tax credit bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer. The applicable credit rate with respect to any qualified tax credit bond shall be determined as of the first day on which there is a binding, written contract for the sale or exchange of the bond.

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

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

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than subpart C and this subpart).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year (determined before the application of paragraph (1) for such succeeding taxable year).

''(d) QUALIFIED TAX CREDIT BOND.—For purposes of this section—

''(1) QUALIFIED TAX CREDIT BOND.—The term 'qualified tax credit bond' means a manufacturing redevelopment bond (as defined in section 1400U–3) which is part of an issue that meets the requirements of paragraphs (2), (3), (4), (5), and (6).

''(2) SPECIAL RULES RELATING TO EXPENDITURES.—

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

''(i) 100 percent or more of the available project proceeds to be spent for 1 or more qualified purposes within the 3-year period beginning on such date of issuance, and

''(ii) a binding commitment with a third party to spend at least 10 percent of such available project proceeds will be incurred within the 6-month period beginning on such date of issuance.

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

''(i) IN GENERAL.—To the extent that less than 100 percent of the available project proceeds of the issue are expended by the close of the expenditure period for 1 or more qualified purposes, the issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(ii) EXPENDITURE PERIOD.—For purposes of this subpart, the term 'expenditure period' means, with respect to any issue, the 3-year period beginning on the date of issuance. Such term shall include any extension of such period under clause (iii).

''(iii) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the expenditure period (determined without regard to any extension under this clause), the Secretary may extend such period if the issuer establishes that the failure to expend the proceeds within the original expenditure period is due to reasonable cause and the expenditures for qualified purposes will continue to proceed with due diligence.

''(C) QUALIFIED PURPOSE.—For purposes of this paragraph, the term 'qualified purpose' means a purpose specified in section 1400U-3(a)(1).

''(D) REIMBURSEMENT.—For purposes of this subtitle, available project proceeds of an issue shall be treated as spent for a qualified purpose if such proceeds are used to reimburse the issuer for amounts paid for a qualified purpose after the date that the Secretary makes an allocation of bond limitation with respect to such issue, but only if—

''(i) prior to the payment of the original expenditure, the issuer declared its intent to reimburse such expenditure with the proceeds of a qualified tax credit bond,

''(ii) not later than 60 days after payment of the original expenditure, the issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

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

''(4) SPECIAL RULES RELATING TO ARBITRAGE.—

''(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

''(B) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any investment of available project proceeds during the expenditure period.

''(C) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any fund which is expected to be used to repay such issue if—

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

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

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

''(5) MATURITY LIMITATION.—

''(A) IN GENERAL.—An issue shall not be treated as meeting the requirements of this paragraph if the maturity of any bond which is part of such issue exceeds the maximum term determined by the Secretary under subparagraph (B).

''(B) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

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

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) AVAILABLE PROJECT PROCEEDS.—The term 'available project proceeds' means—

''(A) the excess of—

''(i) the proceeds from the sale of an issue, over

''(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

''(B) the proceeds from any investment of the excess described in subparagraph (A).

''(f) CREDIT TREATED AS INTEREST.—For purposes of this subtitle, the credit determined under subsection (a) shall be treated as interest which is includible in gross income.

''(g) S CORPORATIONS AND PARTNERSHIPS.—In the case of a tax credit bond held by an S corporation or partnership, the allocation of the credit allowed by this section to the shareholders of such corporation or partners of such partnership shall be treated as a distribution.

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If any qualified tax credit bond is held by a regulated investment company or a real estate investment trust, the credit determined under subsection (a) shall be allowed to shareholders of such company or beneficiaries of such trust (and any gross income included under subsection (f) with respect to such credit shall be treated as distributed to such shareholders or beneficiaries) under procedures prescribed by the Secretary.

''(i) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified tax credit bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified tax credit bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.''.

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

''(9) REPORTING OF CREDIT ON QUALIFIED TAX CREDIT BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(e)(1)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(3) OTHER CONFORMING AMENDMENTS RELATED TO TAX CREDIT BONDS.—

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

(B) Section 1397E(c)(2) of such Code is amended by striking ''subpart H'' and inserting ''subparts H and I''.

(C) Section 6401(b)(1) of such Code is amended by striking ''and H'' and inserting ''H, and I''.

(D) The heading of subpart H of part IV of subchapter A of chapter 1 of such Code is amended by striking ''**CERTAIN BONDS**'' and inserting ''**CLEAN RENEWABLE ENERGY BONDS**''.

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

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

''SUBPART I—QUALIFIED TAX CREDIT BONDS''.

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

''PART III—MANUFACTURING REDEVELOPMENT BONDS''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

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

(3) WORK OPPORTUNITY TAX CREDIT.—The amendments made by subsection (b) shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTEREST ALLOCATION.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) of the Internal Revenue Code of 1986 are each amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

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

The SPEAKER pro tempore (Mr. SERRANO). Pursuant to House Resolution 781, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part A of House Report 110–417, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

SEC. 2. FINDINGS.

Congress makes the following findings:

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

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

(3) While the United States manufacturing sector has been the hardest hit by increased unemployment, the United States service sector has also seen declines as jobs have moved to low-cost labor markets, such as China, India, and the Philippines.

(4) Promoting the economic growth and competitiveness of the United States requires—

(A) opening substantial new markets for United States goods, services, and farm products;

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

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

(5) Congress created the trade adjustment assistance program in 1962 to provide United States workers who lose their jobs because of foreign competition with government-funded training and associated income support to enable such workers to transition to new, good-paying jobs.

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

(7) Workers in the service sector, who make up approximately 80 percent of the United States workforce, are ineligible for trade adjustment assistance.

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

(9) Unnecessary, unduly burdensome, and confusing program eligibility rules prevent workers from gaining access to benefits for which they are eligible.

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

(11) To meet the challenges posed by globalization and to preserve the critical role that United States workers play in promoting the strength and prosperity of the United States, the trade adjustment assistance program must be reformed.

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.

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

(1) in paragraph (1)—

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

(i) by striking ''Secretary'' and inserting ''Secretary of Labor''; and

(ii) by striking ''or subdivision'' and inserting ''or public agency, or subdivision of a firm or public agency,''; and

(B) in subparagraph (A), by striking ''firm)'' and inserting ''firm, and workers in a service sector firm or subdivision of a service sector firm, or of a public agency or subdivision thereof)''; and

(2) in paragraph (3), by inserting ''and on the Website of the Department of Labor'' after ''Federal Register''.

(b) GROUP ELIGIBILITY REQUIREMENTS.—

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

(A) in the matter preceding paragraph (1), by striking ''(including workers in any agricultural firm or subdivision of an agricultural firm)'' and inserting ''(other than workers in a public agency)'';

(B) in paragraph (2)—

(i) in subparagraph (A)(ii), by striking ''like or directly competitive with articles produced'' and inserting ''or services like or directly competitive with articles produced or services provided''; and

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

''(B)(i) there has been a shift, by such workers' firm or subdivision to a foreign country, of production of articles, or in provision of services, like or directly competitive with articles produced, or services provided, by such firm or subdivision; or

''(ii) such workers' firm or subdivision has obtained or is likely to obtain articles or services described in clause (i) from a foreign country.''.

(2) WORKERS IN PUBLIC AGENCIES.—Such section is further amended—

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

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

''(b) ADVERSELY AFFECTED WORKERS IN PUBLIC AGENCIES.—A group of workers in a public agency shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter pursuant to a petition filed under section 221 if the Secretary determines that—

''(1) a significant number or proportion of the workers in the public agency, or an appropriate subdivision of the public agency, have become totally or partially separated, or are threatened to become totally or partially separated; and

''(2) the public agency or subdivision has obtained or is likely to obtain from a foreign country services that would otherwise be provided by such agency or subdivision.''.

(3) ADVERSELY AFFECTED SECONDARY WORKERS.—Subsection (c) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) in the matter preceding paragraph (1), by striking ''agricultural firm)'' and inserting ''agricultural firm, and workers in a service sector firm or subdivision of a service sector firm)'';

(B) in paragraph (2)—

(i) by inserting ''or service'' after ''related to the article''; and

(ii) by striking ''(c)(3)'' and inserting ''(d)(3)''; and

(C) in paragraph (3)(A), by striking ''it supplied to the firm (or subdivision)'' and inserting ''or services it supplied to the firm (or subdivision)''.

(4) DEFINITIONS AND ELIGIBILITY.—Subsection (d) of such section (as redesignated by paragraph (2)(A) of this subsection) is amended—

(A) by striking ''(d) For purposes of this section—'' and inserting ''(d) DEFINITIONS AND ELIGIBILITY.—For purposes of this section:''

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

''(3) DOWNSTREAM PRODUCER.—The term 'downstream producer' means a firm that performs additional, value-added production processes or services for a firm or subdivision, including a firm that performs final assembly, finishing, testing, packaging, or maintenance or transportation services directly for another firm (or subdivision), for articles or services that were the basis for a certification of eligibility under subsection (a) of a group of workers employed by such other firm (or subdivision).'';

(C) in paragraph (4)—

(i) by striking ''for articles'' and inserting '', or services, used in the production of articles or in the provision of services, as the case may be,''; and

(ii) by inserting ''(or subdivision)'' after ''such other firm''; and

(D) by adding at the end the following:

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

(5) BASIS FOR SECRETARY'S DETERMINATIONS.—Such section is further amended by adding at the end the following:

''(e) BASIS FOR SECRETARY'S DETERMINATIONS.—

''(1) INCREASED IMPORTS OF SERVICES.—For purposes of subsection (a)(2)(A)(ii), the Secretary may determine that increased imports of like or directly competitive services exist if the customers of the workers' firm or subdivision accounting for not less than 20 percent of the sales of the workers' firm or subdivision (as the case may be) certify to the Secretary that such customers are obtaining such services from a foreign country.

''(2) SHIFT IN PRODUCTION; OBTAINING ARTICLES OR SERVICES ABROAD.—For purposes of subsections (a)(2)(B) and (b)(2), the Secretary may determine that there has been a shift in production of articles or provision of services, or that a workers' firm or public agency, or subdivision thereof, has obtained or is likely to obtain like or directly competitive articles or services from a foreign country, based on a certification thereof from the workers' firm, public agency, or subdivision (as the case may be).

''(3) PROCESS AND METHODS FOR OBTAINING CERTIFICATIONS.—

''(A) REQUEST BY PETITIONER.—If requested by the petitioner, the Secretary shall obtain the certifications under paragraphs (1) and (2) in such manner as the Secretary determines is appropriate, including by issuing subpoenas under section 249 when necessary.

''(B) PROTECTION OF CONFIDENTIAL INFORMATION.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.''.

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

(1) in the matter preceding paragraph (1), by striking ''chapter—'' and inserting ''chapter:'';

(2) in paragraph (1)—

(A) by inserting '', or employment in a public agency or appropriate subdivision of a public agency,'' after ''of a firm''; and

(B) by striking ''such firm or subdivision'' inserting ''such firm (or subdivision) or public agency (or subdivision)'';

(3) in paragraph (2), by striking ''employment—'' and all that follows and inserting ''employment, has been totally or partially separated from such employment.'';

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

(5) by inserting after paragraph (6) the following:

''(7) The term 'public agency' means a department or agency of a State or local government or of the Federal Government.

''(8) The term 'service sector firm' means an entity engaged in the business of providing services.

''(9) Except as otherwise provided, the term 'Secretary' means the Secretary of Labor.''.

SEC. 102. DETERMINATIONS BY SECRETARY OF LABOR.

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

(1) in subsection (b), by striking ''before his application'' and all that follows and inserting ''before the worker's application under section 231 occurred more than one year before the date of the petition on which such certification was granted.'';

(2) in subsection (c), by striking ''together with his reasons'' and inserting ''and on the Website of the Department of Labor, together with the Secretary's reasons''; and

(3) in subsection (d)—

(A) by striking ''subdivision of the firm'' and all that follows through ''he shall'' and inserting ''subdivision of the firm, or of a public agency or subdivision of a public agency, that total or partial separations from such firm (or subdivision) or public agency (or subdivision) are no longer attributable to the conditions specified in section 222, the Secretary shall''; and

(B) by striking ''together with his reasons'' and inserting ''and on the Website of the Department of Labor, together with the Secretary's reasons''.

SEC. 103. MONITORING AND REPORTING RELATING TO SERVICE SECTOR.

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

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

(2) in the first sentence—

(A) by striking ''The Secretary'' and inserting ''(a) MONITORING PROGRAMS.—The Secretary'';

(B) by inserting ''and services'' after ''imports of articles'';

(C) by inserting ''and domestic provision of services'' after ''domestic production'';

(D) by inserting ''or providing services'' after ''producing articles''; and

(E) by inserting '', or provision of services,'' after ''changes in production''; and

(3) by adding at the end the following:

''(b) COLLECTION OF DATA AND REPORTS ON SERVICE SECTOR.—

''(1) SECRETARY OF LABOR.—Not later than 90 days after the date of the enactment of the Trade and Globalization Assistance Act of 2007, the Secretary of Labor shall implement a system to collect data on adversely affected workers employed in the service sector that includes the number of workers by State, industry, and cause of dislocation of each worker.

''(2) SECRETARY OF COMMERCE.—Not later than 1 year after such date of enactment, the Secretary of Commerce shall, in consultation with the Secretary of Labor, conduct a study and report to Congress on ways to improve the timeliness and coverage of data on trade in services, including methods to identify increased imports due to the relocation of United States firms to foreign countries, and increased imports due to United States firms obtaining services from firms in foreign countries.''.

(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 282 and inserting the following:

''Sec. 282. Trade monitoring and data collection.''.

Subtitle B—Industry-Wide Trade Adjustment Assistance

SEC. 111. INDUSTRY-WIDE DETERMINATIONS.

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

''SEC. 223A. INDUSTRY-WIDE DETERMINATIONS.

''(a) INVESTIGATION.—Upon the request of the President or the United States Trade Representative, or the resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, with respect to a domestic industry, or if the Secretary certifies groups of workers in a domestic industry under section 223(a) pursuant to 3 petitions within a 180-day period, the Secretary shall promptly initiate an investigation under this chapter to determine the eligibility for adjustment assistance of—

''(1) all workers in that domestic industry; or

''(2) all workers in that domestic industry in a specific geographic region.

''(b) DETERMINATION REGARDING INDUSTRY-WIDE CERTIFICATION.—The Secretary shall, not later than 60 days after receiving a request or resolution described in subsection (a) with respect to a domestic industry, or making the third certification of workers in a domestic industry described in subsection (a), as the case may be—

''(1) determine whether all adversely affected workers in that domestic industry are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e); or

''(2) determine whether all adversely affected workers in that domestic industry in a specific geographic region are eligible to apply for assistance under this subchapter, in accordance with the criteria established under subsection (e).

''(c) IDENTIFICATION AND CERTIFICATION.—

''(1) AFFIRMATIVE DETERMINATION.—

''(A) IN GENERAL.—Upon making an affirmative determination under subsection (b), the Secretary shall—

''(i) identify all firms operating within the domestic industry described in paragraph (1) or (2) of subsection (b) that are covered by the determination; and

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

''(B) OTHER REQUIREMENTS.—

''(i) IN GENERAL.—Each certification under subparagraph (A)(ii) shall specify the date on which the total or partial separation began or threatened to begin, except that—

''(I) with respect to a request or a resolution under subsection (a), such date may not be a date that precedes one year before the date on which the Secretary receives the request or resolution, as the case may be; and

''(II) with respect to the third certification of workers in a domestic industry described in subsection (a), such date may not be a date that precedes one year before the date on which the Secretary certifies the 3d such petition.

''(ii) INAPPLICABILITY.—A certification under subparagraph (A)(ii) shall not apply to any worker whose last total or partial separation from the firm occurred before the applicable date specified in clause (i).

''(iii) TRAINING BEFORE SEPARATION.—Any worker covered by a certification under subparagraph (A)(ii) shall be deemed to be an adversely affected worker for purposes of receiving services under section 235 and training under section 236, without regard to whether the worker has been totally or partially separated from employment. In the case of a worker not totally or partially separated from employment, the reference in section 236(a)(1)(A) to 'suitable employment' shall be deemed not to refer to such employment.

''(2) NEGATIVE DETERMINATION.—If the Secretary makes a negative determination under subsection (b), the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the reasons for the Secretary's determination.

''(3) PUBLICATION.—Upon making a determination under subsection (b), the Secretary

shall promptly publish a summary of the determination in the Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination.

''(4) TERMINATION.—Whenever the Secretary determines that a certification under paragraph (1) is no longer warranted, the Secretary shall terminate the certification and promptly have notice of the termination published in the Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination under this paragraph. Such termination shall apply only with respect to total or partial separations occurring after the termination date specified by the Secretary. In the case of a worker described in paragraph (1)(B)(iii), no services described in section 235 or training described in section 236 may be initiated after such termination date.

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

''(e) REGULATIONS.—The Secretary shall, not later than 1 year after the date of the enactment of the Trade and Globalization Assistance Act of 2007, issue regulations for making determinations under this section, including criteria for making such determinations. The Secretary shall develop such regulations in consultation with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and the Secretary shall submit such regulations to each such committee at least 60 days before the regulations go into effect.

''(f) DOMESTIC INDUSTRY DEFINED.—In this section, the term 'domestic industry' means an industry in the United States, as that industry is defined by the North American Industry Classification System.''.

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

''Sec. 223A. Industry-wide determinations.''.

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

(1) in section 225—

(A) in subsection (a), in the last sentence by inserting ''or 223A'' after ''223''; and

(B) in subsection (b)—

(i) in paragraph (1), by striking ''subchapter A of this chapter'' and inserting ''this subchapter''; and

(ii) in paragraph (2), by striking ''subchapter A'' and inserting ''this subchapter''; and

(2) in section 231—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking ''more than 60 days'' and all that follows through ''section 221'' and inserting ''on or after the date of such certification''; and

(ii) in paragraph (1)—

(I) in subparagraph (B), by inserting ''or 223A (as the case may be)'' after ''223''; and

(II) in subparagraph (C), by inserting ''or 223A(c)(4), as the case may be'' after ''223(d)''; and

(B) in subsection (b)—

(i) by striking paragraph (2); and

(ii) in paragraph (1)—

(I) by striking ''(1)'';

(II) by redesignating subparagraphs (A) and (B) as paragraph (1) and (2), respectively;

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

(IV) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.

SEC. 112. NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS AND SAFEGUARDS.

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

*(1) in the heading, by striking ''**STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION**'' and inserting ''**STUDY AND NOTIFICATIONS REGARDING TRADE REMEDY DETERMINATIONS**'';*

(2) in subsection (a), by striking ''Whenever'' and inserting ''STUDY OF DOMESTIC INDUSTRY.—Whenever'';

(3) in subsection (b)—

(A) by striking ''The report'' and inserting ''REPORT BY THE SECRETARY.—The report'';

(B) by striking ''his report'' and inserting ''the Secretary's report''; and

(C) by inserting ''and on the Website of the Department of Labor'' after ''Federal Register''; and

(4) by adding at the end the following:

''(c) NOTIFICATIONS REGARDING AFFIRMATIVE SAFEGUARD DETERMINATIONS UNDER SECTION 202.—Upon issuing an affirmative finding regarding serious injury, or the threat thereof, to a domestic industry, under section 202, the Commission shall notify the Secretary and the Secretary of Commerce of that finding and the identity of the firms which comprise the domestic industry.

''(d) NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS UNDER SECTION 421.—Upon issuing an affirmative determination of market disruption, or the threat thereof, under section 421, the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

''(e) NOTIFICATIONS REGARDING AFFIRMATIVE DETERMINATIONS UNDER TARIFF ACT OF 1930.—Upon issuing a final affirmative determination of injury, or the threat thereof, under section 705 or section 735 of the Tariff Act of 1930 (19 U.S.C. 1671d and 1673d), the Commission shall notify the Secretary and the Secretary of Commerce of that determination and the identity of the firms which comprise the affected domestic industry.

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

''(1) the Secretary shall—

''(A) notify the firms identified by the Commission as comprising the domestic industry affected, and any certified or recognized union or other duly authorized representatives of the workers in such industry, of the allowances, training, employment services, and other benefits available under this chapter, and the procedures under this chapter for filing petitions and applying for benefits;

''(B) notify the Governor of each State in which one or more firms described in subparagraph (A) are located of the Commission's determination and the identity of the firms; and

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

''(2) the Secretary of Commerce shall—

''(A) notify the firms identified by the Commission as comprising the domestic industry affected of the benefits under chapter 3 and the procedures under such chapter for filing petitions and applying for benefits; and

''(B) provide the necessary assistance to firms to file petitions under section 251.''.

(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 224 and inserting the following:

''Sec. 224. Study and notifications regarding trade remedy determinations.''.

SEC. 113. NOTIFICATION TO SECRETARY OF COMMERCE.

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

''(c) Upon issuing a certification under section 223 or 223A, the Secretary shall notify the Secretary of Commerce of the identify of the firm or firms that are covered by the certification.''.

Subtitle C—Program Benefits

SEC. 121. QUALIFYING REQUIREMENTS FOR WORKERS.

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

(1) by striking subclauses (I) and (II) and inserting the following:

''(I) in the case of a worker whose most recent total separation from adversely affected employment that meets the requirements of paragraphs (1) and (2) occurs after the date on which the Secretary issues a certification covering the worker, the last day of the 26th week after such total separation,

''(II) in the case of a worker whose most recent total separation from adversely affected employment that meets the requirements of paragraphs (1) and (2) occurs before the date on which the Secretary issues a certification covering the worker, the last day of the 26th week after the date of such certification,''; and

(2) in subclause (III)—

(A) by striking ''later of the dates specified in subclause (I) or (II)'' and inserting ''date specified in subclause (I) or (II), as the case may be''; and

(B) by striking ''or'' at the end;

(3) by redesignating subclause (IV) as subclause (V); and

(4) by inserting after subclause (III) the following:

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

(b) WAIVERS OF TRAINING REQUIREMENTS.—Subsection (c) of such section 231 is amended—

(1) in paragraph (1)(B)—

(A) by striking ''The worker possesses'' and inserting

''(i) IN GENERAL.—The worker possesses'';

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

(C) by adding at the end the following:

''(ii) MARKETABLE SKILLS DEFINED.—For purposes of clause (i), the term 'marketable skills' may include the possession of a postgraduate degree from an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965) or equivalent institution, or the possession of an equivalent postgraduate certification in a specialized field.''; and

(2) in paragraph (3)—

(A) in subparagraph (A), by striking ''may authorize'' and inserting ''shall authorize'';

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

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

''(B) DURATION OF WAIVERS.—A waiver issued under paragraph (1) by a cooperating State shall be effective for not more than 3 months after the date on which the waiver is issued, except that the State, upon reviewing the waiver, may extend the waiver for an additional period of not more than 3 months if the State determines that the waiver should be maintained.''.

(c) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—Such section 231 is further amended by adding at the end the following:

''(d) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—All determinations of eligibility for trade readjustment allowances under this part shall be made by employees of the State who are appointed on a merit basis.''.

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

SEC. 122. WEEKLY AMOUNTS.

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

(1) in subsection (a)—

(A) by striking ''subsections (b) and (c)'' and inserting ''subsections (b), (c), and (d)'';

(B) by striking ''total unemployment'' the first place it appears and inserting ''unemployment''; and

(C) in paragraph (2), by adding at the end before the period the following: '', except that in the case of an adversely affected worker who is participating in full-time training under this chapter, such income shall not include earnings from work for such week that are equal to or less than the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 231(a)(3)(B))'';

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

(3) by inserting after subsection (a) the following:

''(b)(1) Notwithstanding section 231(a)(3)(B), if an adversely affected worker who is participating in training qualifies for unemployment insurance under State law, based in whole or in part upon part-time or short-term employment following approval of the worker's initial trade readjustment allowance application under section 231(a), then for any week for which unemployment insurance is payable and for which the worker would otherwise be entitled to a trade readjustment allowance based upon the certification under section 223, the worker shall, in addition to any such unemployment insurance, be paid a trade readjustment allowance in the amount described in paragraph (2).

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

''(A) the amount of the unemployment insurance benefit payable to such worker for that week of unemployment for which a trade readjustment allowance is payable under paragraph (1); and

''(B) the amounts described in paragraphs (1) and (2) of subsection (a).''.

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

(1) in subsection (a)(1), by striking ''section 232(a)'' and inserting ''subsections (a) and (b) of section 232''; and

(2) in subsection (c), by striking ''section 232(b)'' and inserting ''section 232(c)''.

SEC. 123. LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES; ALLOWANCES FOR EXTENDED TRAINING AND BREAKS IN TRAINING.

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

(1) in paragraph (2), by inserting ''under paragraph (1)'' after ''trade readjustment allowance'';

(2) in paragraph (3)—

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

(i) by striking ''52 additional weeks'' and inserting ''78 additional weeks''; and

(ii) by striking ''52-week'' and inserting ''91-week''; and

(B) in the matter following subparagraph (B), by striking ''52-week'' and inserting ''91-week''.

SEC. 124. SPECIAL RULES FOR CALCULATION OF ELIGIBILITY PERIOD.

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

''(g) SPECIAL RULE FOR CALCULATING SEPARATION.—Notwithstanding any other provision of this chapter, any period during which a judicial or administrative appeal is pending with respect to the denial by the Secretary of a petition under section 223 shall not be counted for purposes of calculating the period of separation under subsection (a)(2) or for purposes of calculating time periods specified in section 231(a)(5)(A).

''(h) SPECIAL RULE FOR JUSTIFIABLE CAUSE.—The Secretary may extend the periods during which trade readjustment allowances are payable to an adversely affected worker under paragraphs (2) and (3) of subsection (a) and under subsection (f) (but not the maximum amounts of such allowances that are payable under this section), and the periods specified in section 231(a)(5)(A), if the Secretary determines that there is justifiable cause for such an extension, such as the failure to provide the worker with timely information, or justifiable breaks in training that exceed the period allowable under subsection (e).''.

SEC. 125. APPLICATION OF STATE LAWS AND REGULATIONS ON GOOD CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING OF CLAIMS.

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

(1) by striking ''Except where inconsistent'' and inserting ''(a) IN GENERAL.—Except where inconsistent''; and

(2) by adding at the end the following:

''(b) STATE LAWS AND REGULATIONS ON GOOD CAUSE FOR WAIVER OF TIME LIMITS OR LATE FILING OF CLAIMS.—Any law or regulation of a cooperating State under section 239 that allows for a waiver for good cause of any time limit, including a waiver for good cause to allow the late filing of any claim, for trade readjustment allowances or other adjustment assistance under this chapter shall, in the administration of the program by the State under this chapter, apply to the applicable time limitation referred to or specified in this chapter or any regulation prescribed to carry out this chapter.''.

SEC. 126. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

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

''SEC. 235. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

''The Secretary shall provide, directly or through agreements with States under section 239, to adversely affected workers covered by a certification under subchapter A of this chapter the following employment and case management services:

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

''(A) diagnostic testing and use of other assessment tools; and

''(B) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

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

''(3) Information on training available in local and regional areas, information on individual counseling to determine which training is suitable training, and information on how to apply for such training.

''(4) Information on how to apply for financial aid, including referring workers to educational opportunity centers under section 402F of the Higher Education Act of 1965, where applicable, and notifying workers that the workers may ask financial aid administrators at institutions of higher education to allow use of their current year income in the financial aid process.

''(5) Short-term prevocational services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for employment or training.

''(6) Individual career counseling, including job search and placement counseling, during the period in which the individual is receiving a trade adjustment allowance or training under this chapter, and for purposes of job placement after receiving such training.

''(7) Provision of employment statistics information, including the provision of accurate information relating to local, regional, and national labor market areas, including—

''(A) job vacancy listings in such labor market areas;

''(B) information on jobs skills necessary to obtain jobs identified in job vacancy listings described in subparagraph (A);

''(C) information relating to local occupations that are in demand and earnings potential of such occupations; and

''(D) skills requirements for local occupations described in subparagraph (C).

''(8) Supportive services, including services relating to child care, transportation, dependent care, housing assistance, and need-related payments that are necessary to enable an individual to participate in training.''.

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

''235. Employment and case management services.''.

SEC. 127. TRAINING.

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

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

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

''(A) The total amount of payments that may be made under paragraph (1) for each of the fiscal years 2008 and 2009 shall not exceed $440,000,000. The total amount of payments that may be made under paragraph (1) for fiscal year 2010 and each subsequent fiscal year shall not exceed $660,000,000.''; and

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

''(B) Not later than 120 days after the date of the enactment of the Trade and Globalization Assistance Act of 2007, the Secretary shall establish and implement procedures for the allocation among the States in each fiscal year of funds available to pay the costs of training for workers under this section. The Secretary shall, at least 60 days before the date on which the procedures described in this subparagraph are first implemented, consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate with respect to such procedures.

''(C) In establishing and implementing the procedures under subparagraph (B), the Secretary shall—

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

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

''(I) the number of workers certified under sections 223 and 223A in the preceding fiscal year;

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

''(III) the minimum level of funding necessary to provide training approved under this section; and

''(IV) notifications under the Worker Adjustment and Retraining Notification Act or other layoff notifications;

''(iii) after the initial distribution of training funds to States at the beginning of each fiscal year, provide for subsequent distributions of training funds remaining, based on the factors described in clause (ii) (but, in the case of the factor described in subclause (I) of clause (ii), based on data from the preceding 2 fiscal quarters) if a State requests the distribution of the remaining funds;

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

''(v) develop an explicit policy for re-capture and redistribution of training funds, to the extent such re-capture and redistribution of training funds is necessary.''.

(c) DETERMINATIONS REGARDING TRAINING.—Subsection (a)(9) of such section is amended—

(1) by striking ''The Secretary'' and inserting ''(A) Subject to subparagraph (B), the Secretary''; and

(2) by adding at the end the following:

''(B)(i) In determining under paragraph (1)(E) whether a worker is qualified to undertake and complete training, the Secretary may not disallow training for a period longer than the worker's period of eligibility for trade readjustment allowances under part I if the worker demonstrates that the worker has sufficient financial resources to complete the training after the expiration of the worker's period of eligibility for such trade readjustment allowances.

''(ii) In determining the reasonable cost of training under paragraph (1)(F) with respect to a worker, the Secretary may consider whether other public or private funds are reasonably available to the worker, except that the Secretary may not require a worker to obtain such funds as a condition of approval of training under paragraph (1).''.

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

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

(2) by inserting after subsection (d) the following:

''(e) DETERMINATIONS OF ELIGIBILITY BY STATE EMPLOYEES APPOINTED ON MERIT BASIS.—All determinations of eligibility for training under this section shall be made by employees of the State who are appointed on a merit basis.''.

(e) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study of the procedures for the allocation of training funds for workers under subparagraphs (B) and (C) of section 236(a)(2) of the Trade Act of 1974 (19 U.S.C. 2296), as added by subsection (a) of this section, that are established and implemented by the Secretary of Labor pursuant to such section. In carrying out the study, the Comptroller General shall examine the overall adequacy of funding for training for workers by State and the effectiveness of the procedures for allocating training funds between States and among workers.

(2) REPORTS.—

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

(B) FINAL REPORT.—The Comptroller General of the United States shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a final report that contains the results of the study conducted under paragraph (1) for the first three fiscal years with respect to which the procedures described in paragraph (1) are implemented.

SEC. 128. PREREQUISITE EDUCATION; APPROVED TRAINING PROGRAMS.

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

(1) in subparagraph (A)—

(A) by striking ''and'' at the end of clause (i);

(B) by adding ''and'' at the end of clause (ii); and

(C) by inserting after clause (ii) the following:

''(iii) apprenticeship programs registered under the National Apprenticeship Act (29 U.S.C. 50 et seq.),'';

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

(3) by inserting after subparagraph (D) the following:

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

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

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

(6) by adding at the end the following:

''(H) any training program or coursework at an accredited institution of higher education (as defined in section 102 of the Higher Education Act of 1965), including a training program or coursework for the purpose of—

''(i) obtaining a degree or certification; or

''(ii) completing a degree or certification that the worker had previously begun at an accredited institution of higher education.

The Secretary may not limit approval of a training program under paragraph (1) to a program provided pursuant to title I of the Workforce Investment Act of 1998.''.

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

(1) in subsection (a)(2), by inserting ''prerequisite education or'' after ''requires a program of''; and

(2) in subsection (f) (as redesignated by section 121(d) of this Act), by inserting ''prerequisite education or'' after ''includes a program of''.

SEC. 129. ELIGIBILITY FOR UNEMPLOYMENT INSURANCE AND PROGRAM BENEFITS WHILE IN TRAINING.

(a) IN GENERAL.—Section 236(d) of the Trade Act of 1974 (19 U.S.C. 2296(d)) is amended to read as follows:

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

''(1) because the worker—

''(A) is enrolled in training approved under subsection (a); or

''(B) left work—

''(i) that was not suitable employment in order to receive such training; or

''(ii) that the worker engaged in on a temporary basis during a break in such training or a delay in the commencement of such training; or

''(2) because of the application to any such week in training of the provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.''.

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

(1) in section 233(d) (as redesignated by section 121(d) of this Act), by inserting ''suitable'' before ''on-the-job training''; and

(2) in section 236—

(A) by inserting ''suitable'' before ''on-the-job training'' each place it appears; and

(B) by adding at the end the following:

''(h) SUITABLE ON-THE-JOB TRAINING.—For purposes of this section, the term 'suitable on-the-job training' means on-the-job training—

''(1) that can reasonably be expected to lead to suitable employment;

''(2) that is compatible with the skills of the worker;

''(3) that—

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

''(B) can be measured by benchmarks that indicate that the worker is learning such skills; and

''(4) that is certified by the State as an on-the-job training program that meets the requirements of paragraph (3).''.

SEC. 130. ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

(a) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 et seq.) is amended by inserting after section 236 the following:

''SEC. 236A. ADDITIONAL PAYMENTS FOR ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.

''(a) ADMINISTRATIVE EXPENSES.—

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

''(2) USE OF FUNDS.—A State that receives an additional payment under paragraph (1) shall use the payment for administration of the trade adjustment assistance for workers program under this chapter, including for—

''(A) processing of waivers of training requirements under section 231;

''(B) collecting of data required under this chapter; and

''(C) providing services under section 235.

''(3) ADMINISTRATION REQUIREMENT.—Funds provided to a State under this subsection for a fiscal year that are in excess of the amount of funds provided to the State for administration of the trade adjustment assistance for workers program under this chapter for fiscal year 2007 may only be administered by employees of the State who are appointed on a merit basis.

''(b) ADDITIONAL FUNDING FOR EMPLOYMENT AND CASE MANAGEMENT SERVICES.—

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

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

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

''(c) FUNDING.—Funds provided to the States under this section shall not be counted toward the limitation contained in section 236(a)(2)(A).''.

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

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

SEC. 131. JOB SEARCH AND RELOCATION ALLOWANCES.

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

(1) in subsection (a)(2)(C)(ii), by striking '', unless the worker received a waiver under section 231(c)''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''90 percent of the cost of'' and inserting ''all''; and

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

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

(1) in subsection (a)(2)(E)(ii), by striking '', unless the worker received a waiver under section 231(c)''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''90 percent of the'' and inserting ''all''; and

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

Subtitle D—Health Care Provisions

SEC. 141. MODIFICATIONS RELATING HEALTH INSURANCE ASSISTANCE FOR CERTAIN TAA AND PBGC PENSION RECIPIENTS.

(a) INCREASE IN CREDIT PERCENTAGE AMOUNT.—

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

(2) CONFORMING AMENDMENT.—Subsection (b) of section 7527 of such Code is amended by striking ''65 percent'' and inserting ''85 percent''.

(b) TAA RECIPIENTS RECEIVING UNEMPLOYMENT COMPENSATION AND NOT ENROLLED IN TRAINING PROGRAM ELIGIBLE FOR CREDIT.—Paragraph (2) of section 35(c) of such Code is amended to read as follows:

''(2) ELIGIBLE TAA RECIPIENT.—The term 'eligible TAA recipient' means, with respect to any month, any individual who—

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

''(B) who is receiving unemployment compensation (as defined in section 85) for such month and who would be eligible to receive such allowance for such month if section 231 of such Act were applied without regard to subsections (a)(3)(B) and (a)(5) thereof.

An individual shall continue to be treated as an eligible TAA recipient during the first month that such individual would otherwise cease to be an eligible TAA recipient by reason of the preceding sentence.''.

(c) ELIGIBILITY FOR ELIGIBLE INDIVIDUALS MADE RETROACTIVE TO TAA-RELATED LOSS OF EMPLOYMENT.—Subsection (c) of section 35 of such Code is amended by adding at the end the following new paragraph:

''(5) RETROACTIVE ELIGIBILITY FOR TAA RECIPIENTS.—In the case of any individual who is an eligible TAA recipient or eligible alternative TAA recipient for any month, such individual shall be treated as an eligible individual for any month which precedes such month and which begins after the later of—

''(A) the date of the separation from employment which gives rise to such individual being an eligible TAA recipient or eligible alternative TAA recipient, or

''(B) December 31, 2007.''.

(d) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

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

''(9) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the amount of the credit under this section with respect to any qualifying family members of such individual (and any advance payment of such credit under section 7527). This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in subsection (f)(2)(A).

''(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual's spouse, such spouse shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

''(C) DEATH.—In the case of the death of an eligible individual—

''(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

''(ii) any individual who was a qualifying family member of the decedent immediately before such death (or, in the case of an individual to whom paragraph (4) applies, the taxpayer to whom the deduction under section 151 is allowable) shall be treated as an eligible individual for purposes of this section and section 7527 for a period of 36 months beginning with the date of such death, except that in determining the amount of such credit only such qualifying family member may be taken into account.''.

(2) CONFORMING AMENDMENT.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following:

''(8) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) MEDICARE ELIGIBILITY.—In the case of any month which would be an eligible coverage month with respect to an eligible individual but for paragraph (7)(B)(i), such month shall be treated as an eligible coverage month with respect to such eligible individual solely for purposes of determining the eligibility of qualifying family members of such individual under this subsection. This subparagraph shall only apply with respect to the first 36 months after such eligible individual is first entitled to the benefits described in paragraph (7)(B)(i).

''(B) DIVORCE.—In the case of the finalization of a divorce between an eligible individual and such individual's spouse, such spouse shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such finalization, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such finalization.

''(C) DEATH.—In the case of the death of an eligible individual—

''(i) any spouse of such individual (determined at the time of such death) shall be treated as an eligible individual for purposes of this subsection for a period of 36 months beginning with the date of such death, except that the only qualifying family members who may be taken into account with respect to such spouse are those individuals who were qualifying family members immediately before such death, and

''(ii) any individual who was a qualifying family member of the decedent immediately before such death shall be treated as an eligible individual for purposes this subsection for a period of 36 months beginning with the date of such death, except that no qualifying family members may be taken into account with respect to such individual.''.

(e) MODIFICATION OF CREDITABLE COVERAGE REQUIREMENT.—

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

''(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph, the term 'qualifying individual' means an eligible individual and the qualifying family members of such individual if such individual meets the requirements of clauses (iii) and (iv) of subsection (b)(1)(A) and—

''(i) in the case of an eligible TAA recipient or an eligible alternative TAA recipient, has (as of the date on which the individual seeks to enroll in the coverage described in subparagraphs (B) through (H) of paragraph (1)) a period of creditable coverage (as defined in section 9801(c)), or

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

''(I) the last day of the first month with respect to which such recipient becomes an eligible PBGC pension recipient, or

''(II) the date of the enactment of this subparagraph.''.

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

''(ii) QUALIFYING INDIVIDUAL.—For purposes of this subparagraph, the term 'qualifying individual' means an eligible individual and the qualifying family members of such individual if such individual meets the requirements of clauses (iii) and (iv) of section 35(b)(1)(A) of the Internal Revenue Code of 1986 and—

''(I) in the case of an eligible TAA recipient or an eligible alternative TAA recipient, has (as of the date on which the individual seeks to enroll in the coverage described in clauses (ii) through (viii) of subparagraph (A)) a period of creditable coverage (as defined in section 9801(c) of such Code), or

''(II) in the case of an eligible PBGC pension recipient, enrolls in such coverage during the 90-day period beginning on the later of—

''(aa) the last day of the first month with respect to which such recipient becomes an eligible PBGC pension recipient, or

''(bb) the date of the enactment of this clause.''.

(3) OUTREACH.—The Secretary of the Treasury shall carry out a program to notify individuals prior to their becoming eligible PBGC pension recipients (as defined in section 35 of the Internal Revenue Code of 1986) of the requirement of

subsection (e)(2)(B)(ii) of such section, as added by this subsection.

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

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

''(D) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 4980B(f)(5)(C)(iv).''.

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

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 605(b)(4)(c).''.

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

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 2205(b)(4)(c).''.

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

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

''(v) RATING SYSTEM REQUIREMENT.—In the case of coverage described in paragraph (1)(F)(ii), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.''.

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

''(V) RATING SYSTEM REQUIREMENT.—In the case of coverage described in subparagraph (A)(vi)(II), the premiums for such coverage are restricted, based on a community rating system with respect to eligible individuals and their qualifying family members, or based on a rate-band system under which the maximum rate which may be charged does not exceed 150 percent of the standard rate with respect to eligible individuals and their qualifying family members.''.

(h) TERMINATION OF PROGRAM.—

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

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

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

''(8) TERMINATION.—An individual shall not be treated as an eligible individual for purposes of this subsection for any month beginning after December 31, 2009, unless such individual was an eligible individual for a continuous period of months ending with such month and beginning before such date.''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to months beginning after December 31, 2007, in taxable years ending after such date.

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

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

(j) GAO STUDY AND REPORT.—

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

(2) REPORT.—Not later than March 1, 2009, the Comptroller General shall submit a report to Congress regarding the results of the study conducted under paragraph (1). Such report shall include an analysis of—

(A) the administrative costs—

(i) of the Federal Government with respect to such credit and the advance payment of such credit under section 7527 of such Code, and

(ii) of providers of qualified health insurance with respect to providing such insurance to eligible individuals and their qualifying family members,

(B) the health status and relative risk status of eligible individuals and qualifying family members covered under such insurance,

(C) participation in such credit and the advance payment of such credit by eligible individuals and their qualifying family members, including the reasons why such individuals did or did not participate and the effect of the amendments made by this section on such participation, and

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

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

(ii) went without health insurance coverage.

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

(A) within the possession or control of providers of qualified health insurance, and

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

The Comptroller General shall not disclose the identity of any provider of qualified health insurance or any eligible individual in making any information obtained under this section available to the public.

(4) DEFINITIONS.—Any term which is defined in section 35 of the Internal Revenue Code of 1986 shall have the same meaning when used in this subsection.

SEC. 142. EXTENSION OF COBRA BENEFITS FOR CERTAIN TAA-ELIGIBLE INDIVIDUALS AND PBGC RECIPIENTS.

(a) ERISA AMENDMENTS.—Section 602(2)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)(A)) is amended—

(1) by moving clause (v) to after clause (iv) and before the flush left sentence beginning with ''In the case of a qualified beneficiary'';

(2) by striking ''In the case of a qualified beneficiary'' and inserting the following:

''(vi) SPECIAL RULE FOR DISABILITY.—In the case of a qualified beneficiary''; and

(3) by redesignating clauses (v) and (vi), as amended by paragraphs (1) and (2), as clauses (viii) and (ix) and by inserting after clause (iv) the following new clauses:

''(v) SPECIAL RULE FOR PBGC RECIPIENTS.—In the case of a qualifying event described in section 603(2) with respect to a covered employee who (as of such qualifying event) has a nonforeitable right to a benefit any portion of which is to be paid by the Pension Benefit Guaranty Corporation under title IV, notwithstanding clause (i) or (ii), the date of the death of the covered employee, or in the case of the surviving spouse or dependent children of the covered employee, 36 months after the date of the death of the covered employee.

''(vi) SPECIAL RULE FOR TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in section 603(2) with respect to a covered employee who is (as of the date that the period of coverage would, but for this clause or clause (vii), otherwise terminate under clause (i) or (ii)) a TAA-eligible individual (as defined in section 605(b)(4)(B)), the period of coverage shall not terminate by reason of clause (i) or (ii), as the case may be, before the later of the date specified in such clause or the date on which such individual ceases to be such a TAA-eligible individual.

''(vii) SPECIAL RULE FOR CERTAIN TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in section 603(2) with respect to a covered employee who is (as of the date that the period of coverage would, but for this clause or clause (vi), otherwise terminate under clause (i) or (ii)) a TAA-eligible individual (as defined in section 605(b)(4)(B)) and who (as of such qualifying event) has attainted age 55 or has completed 10 or more years of service with the employer, clauses (i) and (ii) shall not apply.''.

(b) IRC AMENDMENTS.—Clause (i) of section 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''In the case of a qualified beneficiary'' and inserting the following:

''(VI) SPECIAL RULE FOR DISABILITY.—In the case of a qualified beneficiary'', and

(2) by redesignating subclauses (V) and (VI), as amended by paragraph (1), as subclauses (VIII) and (IX) and by inserting after clause (IV) the following new subclauses:

''(V) SPECIAL RULE FOR PBGC RECIPIENTS.—In the case of a qualifying event described in paragraph (3)(B) with respect to a covered employee who (as of such qualifying event) has a nonforeitable right to a benefit any portion of which is to be paid by the Pension Benefit Guaranty Corporation under title IV of the Employee Retirement Income Security Act of 1974, notwithstanding subclause (I) or (II), the date of the death of the covered employee, or in the case of the surviving spouse or dependent children of the covered employee, 36 months after the date of the death of the covered employee.

''(VI) SPECIAL RULE FOR TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in paragraph (3)(B) with respect to a covered employee who is (as of the date that the period of coverage would, but for this subclause or subclause (VII), otherwise terminate under subclause (I) or (II)) a TAA-eligible individual (as defined in paragraph (5)(C)(iv)(II)), the period of coverage shall not terminate by reason of subclause (I) or (II), as the case may be, before the later of the date specified in such subclause or the date on which such individual ceases to be such a TAA-eligible individual.

''(VII) SPECIAL RULE FOR CERTAIN TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in paragraph (3)(B) with respect to a covered employee who is (as of the date that the period of coverage would, but for this subclause or subclause (VI), otherwise terminate under subclause (I) or (II)) a TAA-eligible individual (as defined in paragraph (5)(C)(iv)(II)) and who (as of such qualifying event) has attainted age 55 or has completed 10 or more years of service with the employer, subclauses (I) and (II) shall not apply.''.

(c) PHSA AMENDMENTS.—Section 2202(2)(A) of the Public Health Service Act (42 U.S.C. 300bb-2(2)(A)) is amended—

(1) by striking ''In the case of a qualified beneficiary'' and inserting the following:

''(v) SPECIAL RULE FOR DISABILITY.—In the case of a qualified beneficiary''; and

(2) by redesignating clauses (iv) and (v), as amended by paragraph (1), as clauses (vi) and (vii) and by inserting after clause (iii) the following new clauses:

''(iv) SPECIAL RULE FOR TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in section 2203(2) with respect to a covered employee who is (as of the date that the period of coverage would, but for this clause or clause (v), otherwise terminate under clause (i) or (ii)) a TAA-eligible individual (as defined in section 2205(b)(4)(B)), the period of coverage shall not terminate by reason of clause (i) or (ii), as the case may be, before the later of the date specified in such clause or the date on which such individual ceases to be such a TAA-eligible individual.

''(v) SPECIAL RULE FOR CERTAIN TAA-ELIGIBLE INDIVIDUALS.—In the case of a qualifying event described in section 2203(2) with respect to a covered employee who is (as of the date that the period of coverage would, but for this clause or clause (iv), otherwise terminate under clause (i) or (ii)) a TAA-eligible individual (as defined in section 2205(b)(4)(B)) and who (as of such qualifying event) has attainted age 55 or has completed 10 or more years of service with the employer, clauses (i) and (ii) shall not apply.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods of coverage which would (without regard to the amendments made by this section) end on or after January 1, 2008.

Subtitle E—Wage Insurance

SEC. 151. REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR OLDER WORKERS.

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

*(1) by amending the heading to read as follows: ''**REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE**'';*

(2) in subsection (a)—

(A) in paragraph (1), by striking ''alternative'' and inserting ''reemployment'';

(B) in paragraph (2)(A), by striking ''for a period not to exceed 2 years'' and inserting ''for the eligibility period under paragraph (3)(C)''; and

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

''(3) ELIGIBILITY.—

''(A) IN GENERAL.—A group of workers certified under subchapter A as eligible for adjustment assistance under subchapter A is eligible for benefits described in paragraph (2) under the program established under paragraph (1).

''(B) INDIVIDUAL ELIGIBILITY.—A worker in a group of workers described in subparagraph (A) may elect to receive benefits described in paragraph (2) under the program established under paragraph (1) if the worker—

''(i) is at least 50 years of age;

''(ii) earns not more than $60,000 each year in wages from reemployment;

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

''(II) is employed at least 20 hours per week and is enrolled in training approved under section 236; and

''(iv) is not employed at the firm from which the worker was separated

In the case of a worker described in clause (iii)(II), the percentage referred to in paragraph (2)(A) shall be deemed to be a percentage equal to ½ of the ratio of weekly hours of employment referred to in clause (iii)(II) to weekly hours of employment of that worker at the time of separation (but not more than 50 percent).

''(C) ELIGIBILITY PERIOD FOR PAYMENTS.—A worker in a group of workers described in subparagraph (A) may receive payments described in paragraph (2)(A) under the program established under paragraph (1) for a period not to exceed 2 years from the date on which the worker exhausts all rights to unemployment insurance based on the separation of the worker from adversely affected employment or the date on which the worker obtains reemployment, whichever is earlier.

''(D) TRAINING AND OTHER SERVICES.—A worker described in subparagraph (B) shall be eligible to receive training approved under section 236 and services under section 235.

''(4) TOTAL AMOUNT OF PAYMENTS.—The payments described in paragraph (2)(A) made to a worker may not exceed $12,000 per worker during the eligibility period under paragraph (3)(C).

''(5) LIMITATION ON OTHER BENEFITS.—A worker described in paragraph (3) may not receive a trade readjustment allowance under part I of subchapter B during any week for which the worker receives a payment described in paragraph (2)(A).''; and

(3) in subsection (b)(2), by striking ''subsection (a)(3)(B)'' and inserting ''subsection (a)(3)''.

(b) EXTENSION OF PROGRAM.—Subsection (b)(1) of such section is amended by striking ''5'' and inserting ''10''.

(c) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by striking the item relating to section 246 and inserting the following:

''Sec. 246. Reemployment trade adjustment assistance program.''.

Subtitle F—Other Matters

SEC. 161. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

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

''SEC. 226. RESTRICTION ON ELIGIBILITY FOR PROGRAM BENEFITS.

''No benefit allowances, training, or other employment services may be provided under this chapter to a worker who is an alien unless the alien is an individual lawfully admitted for permanent residence to the United States, is lawfully present in the United States, or is permanently residing in the United States under color of law.''.

(b) CONFORMING AMENDMENT.—The table of contents of the Trade Act of 1974 is amended by adding after the item relating to section 225 the following:

''226. Restriction on eligibility for program benefits.''.

SEC. 162. AGREEMENTS WITH STATES.

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

(1) by striking ''will'' each place it appears and inserting ''shall''; and

(2) in clause (2), to read as follows: ''(2) in accordance with subsection (f), shall provide adversely affected workers covered by a certification under subchapter A the employment and case management services described in section 235''.

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

(1) in paragraph (3), by striking ''and'' at the end;

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

''(4) perform outreach, intake (which may include worker profiling) and orientation for assistance and benefits available under this chapter for adversely affected workers covered by a certification under subchapter A of this chapter, and''; and

(3) by adding at the end the following:

''(5) provide adversely affected workers covered by a certification under subchapter A of this chapter with employment and case management services described in section 235.''.

SEC. 163. FRAUD AND RECOVERY OF OVERPAYMENTS.

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

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

(A) by striking ''may waive'' and inserting ''shall waive''; and

(B) by striking '', in accordance with guidelines prescribed by the Secretary,'' and

(2) in subparagraph (B), by striking ''would be contrary to equity and good conscience'' and inserting ''would cause a financial hardship for the individual (or the individual's household, if applicable) when taking into consideration the income and resources reasonably available to the individual (or household) and other ordinary living expenses of the individual (or household)''.

SEC. 164. TECHNICAL AMENDMENTS.

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

*(1) in the heading, by striking ''**SUBPENA**'' and inserting ''**SUBPOENA**''; and*

(2) in the text, by striking ''subpena'' and inserting ''subpoena'' each place it appears.

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

''249. Subpoena power.''.

SEC. 165. OFFICE OF TRADE ADJUSTMENT ASSISTANCE; DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

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

''SEC. 250. OFFICE OF TRADE ADJUSTMENT ASSISTANCE; DEPUTY ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

''(a) ESTABLISHMENT.—There is established in the Department of Labor an office to be known as the Office of Trade Adjustment Assistance (hereinafter in this section referred to as the 'Office').

''(b) HEAD OF OFFICE.—The head of the Office shall be the Deputy Assistant Secretary for Trade Adjustment Assistance (hereinafter in this section referred to as the 'Deputy Assistant Secretary'), who shall be appointed by the President, by and with the advice and consent of the Senate.

''(c) PRINCIPLE FUNCTIONS.—The principle functions of the Deputy Assistant Secretary shall be—

''(1) to oversee and implement the administration of trade adjustment assistance for workers under this chapter; and

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

''(A) making determinations under section 223 or 223A;

''(B) providing information about the program and assisting groups of workers and other parties to prepare petitions or applications for program benefits under section 225;

''(C) ensuring workers covered by a certification receive the employment services described in section 235;

''(D) ensuring States fully comply with agreements under section 239;

''(E) acting as a vigorous advocate for workers applying for assistance under this chapter;

''(F) receiving complaints, grievances, and requests for assistance from workers under this chapter;

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

''(H) carrying out such other duties with respect to this chapter as the President may specify for purposes of this section.''.

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

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

SEC. 166. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

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

''SEC. 250A. COLLECTION OF DATA AND REPORTS; INFORMATION TO WORKERS.

''(a) IN GENERAL.—Not later than 90 days after the date of the enactment of the Trade and Globalization Assistance Act of 2007, the Secretary shall implement a system to collect and publicly disseminate data on all adversely affected workers who apply for or receive adjustment assistance under this chapter.

''(b) DATA TO BE INCLUDED.—The system required under subsection (a) shall include collection of the following data classified by State, industry, and nationwide totals:

''(1) The number of petitions and number of workers covered by petitions filed, certified and denied.

''(2) The date of filing of each petition and the date of the determination, and the average processing time, by year, on petitions.

''(3) A breakdown, by the claimed cause of dislocation, of petitions denied, such as increased imports, shift in production, and other bases for eligibility.

''(4) A breakdown of the number of certified petitions by the cause of dislocation, such as increase in imports, shift in production, and other causes of eligibility for adjustment assistance.

''(5) The number of workers participating in any aspect of the adjustment assistance program under this chapter.

''(6) Reemployment rates and sectors in which dislocated workers have been employed after receiving adjustment assistance under this chapter.

''(7) The type of adjustment assistance received under this chapter, such as training or education assistance, reemployment adjustment assistance, cash benefits, health coverage, and relocation allowances, the number of workers receiving each type of assistance, and the average duration of time workers receive each type of assistance.

''(8) The fields of training or education in which workers receiving training or education benefits under this chapter are enrolled, the number of workers participating in each field, classified by major types of training or education.

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

''(10) The number of training waivers granted, classified by type of waiver.

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

''(12) The average duration of training that was completed.

''(c) COLLECTION OF DATA FROM STATES.—The Secretary is authorized to collect such data from the States as is necessary to carry out this section.

''(d) REPORT.—Not later than 16 months after the date of the enactment of the Trade and Globalization Assistance Act of 2007, and annually thereafter, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and any other congressional committee of appropriate jurisdiction, a report on whether changes to eligibility requirements, benefits, or training funding under the trade adjustment assistance program under this chapter should be made based on the data collected under subsection (b).

''(e) AVAILABILITY ON WEBSITE OF THE DEPARTMENT OF LABOR.—The Secretary shall make the data collected under subsection (b) publicly available on the website of the Department of Labor, in a searchable format, and shall update the data quarterly.''.

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

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

SEC. 167. EXTENSION OF TAA PROGRAM.

(a) FOR WORKERS.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking ''December 31, 2007'' and inserting ''September 30, 2012''.

(b) TERMINATION.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by striking ''December 31, 2007'' each place it appears and inserting ''September 30, 2012''.

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

SEC. 168. JUDICIAL REVIEW.

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

(1) in subsection (a)—

(A) by inserting ''or 223A'' after ''223''; and

(B) by striking ''271'' and inserting ''273'';

(2) by amending subsection (b) to read as follows:

''(b) STANDARD OF REVIEW.—The Court of International Trade shall have jurisdiction to review the case as provided in section 706 of title 5, Untied States Code. The findings of fact by the Secretary of Labor, the Secretary of Commerce, or the Secretary of Agriculture, as the case may be, must be supported by substantial evidence and must be based on a reasonable investigation. The Court of International Trade may—

''(1) remand the case to such Secretary to take further evidence; or

''(2) reverse the action of such Secretary.

If the case is remanded under paragraph (1), the Secretary concerned may make new or modified findings of fact and may modify the Secretary's previous action, and shall certify to the court the record of the further proceedings. The new or modified findings of fact must be supported by substantial evidence and must be based on a reasonable investigation.''; and

(3) in subsection (c), by striking the first sentence.

SEC. 169. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

(a) IN GENERAL.—Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391 et seq.) is amended by adding at the end the following:

''SEC. 288. LIBERAL CONSTRUCTION OF CERTIFICATION OF WORKERS AND FIRMS.

''The provisions of chapter 2 (relating to adjustment assistance for workers) and the provisions of chapter 3 (relating to adjustment assistance for firms) shall be liberally construed in favor of certifying workers for assistance under such chapter 2 and certifying firms for assistance under such chapter 3.''.

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

''Sec. 288. Liberal construction of certification of workers and firms.''.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) in subsection (a), by inserting ''or service sector firm'' after ''(including any agricultural firm'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting ''or service sector firm'' after ''any agricultural firm''; and

(ii) in subparagraph (B)—

(I) in clause (i), by striking '', or'' and inserting a comma;

(II) in clause (ii)—

(aa) by inserting ''or service'' after ''of an article''; and

(bb) by striking '', and'' and inserting a comma; and

(III) by adding at the end the following:

''(iii) sales or production, or both, of the firm, during the period consisting of not more than 36 months preceding the most recent 12-month period for which data are available, have decreased absolutely, or

''(iv) sales or production, or both, of an article or service that accounted for not less than 25 percent of the total production or sales of the firm during the 36-month period preceding the most recent 12-month period for which data are available have decreased absolutely, and''; and

(B) in the matter preceding subparagraph (A) of paragraph (2) , by striking ''paragraph (1)(C)—'' and inserting ''paragraph (1)(C):''; and

(3) by adding at the end the following:

''(e) BASIS FOR THE DETERMINATION OF THE SECRETARY.—

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

''(A) may use data from any of the preceding three calendar years to determine if the requirements of such subsection have been met;

''(B) may determine that increases of imports of like or directly competitive articles or services exist if customers accounting for a significant percentage of the decrease in the sales of the firm certify to the Secretary that such customers are obtaining such articles or services from a foreign country; and

''(C) may, in determining whether increased imports of like or directly competitive articles or services exist, give special consideration to whether it is difficult to demonstrate an increase of such imports if the share of such imports relative to production or consumption in the United States of the article produced or service provided by the firm concerned is already significant.

''(2) PROCESS AND METHODS FOR OBTAINING CERTIFICATIONS.—

''(A) REQUEST BY PETITIONER.—If requested by a firm, the Secretary shall obtain the certifications under paragraph (1)(B) in such manner as the Secretary determines is appropriate.

''(B) PROTECTION OF CONFIDENTIAL INFORMATION.—The Secretary may not release information obtained under subparagraph (A) that the Secretary considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Secretary, or such party subsequently consents to the release of the information. Nothing in this subparagraph shall be construed to prohibit a court from requiring the submission of such confidential business information to the court in camera.

''(f) NOTIFICATION TO FIRMS OF AVAILABILITY OF BENEFITS.—Upon receiving notice from the Secretary of Labor under section 225(c) of the identity of a firm or firms that are covered by a certification issued under section 223 or 223A, the Secretary of Commerce shall notify such firm or firms of the availability of adjustment assistance under this chapter.''.

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

(1) by striking ''For purposes of'' and inserting ''(a) FIRM.—For purposes of''; and

(2) by adding at the end the following:

''(b) SERVICE SECTOR FIRM.—For purposes of this chapter, the term 'service sector firm' means a firm engaged in the business of providing services.''.

SEC. 202. EXTENSION OF AUTHORIZATION OF TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) by striking ''and $4,000,000 for the 3-month period beginning on October 1, 2007,'' inserting ''and $50,000,000 for each of fiscal years 2008 through 2012,'' after ''fiscal years 2003 through 2007,''; and

(2) by inserting after the first sentence the following: ''Of the amounts appropriated pursuant to this subsection for each fiscal year, $350,000 shall be available for full-time positions in the Department of Commerce to administer the program under this chapter.''.

SEC. 203. INDUSTRY-WIDE PROGRAMS FOR THE DEVELOPMENT OF NEW SERVICES.

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

(1) in the first sentence, by striking ''new product development'' and inserting ''the development of new products and services''; and

(2) in the second sentence, by inserting '', 223A,'' after ''223''.

SEC. 204. DEMONSTRATION PROJECT ON STRATEGIC TRADE TRANSFORMATION ASSISTANCE.

(a) IN GENERAL.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by adding at the end the following:

''SEC. 266. DEMONSTRATION PROJECT ON STRATEGIC TRADE TRANSFORMATION ASSISTANCE.

''(a) IN GENERAL.—The Secretary shall conduct a demonstration project (in this section referred to as the 'project') to demonstrate a programmatic framework that will allow small- and medium-sized manufacturers in the United States to gain access to resources that will help them better compete domestically and globally. The project should include among its primary goals the following:

''(1) Expanding the number of firms capable of taking advantage of a trade remedy program without drastically increasing the cost of the remedy to the taxpayer.

''(2) Certifying and providing assistance to approximately 700 firms.

''(3) Integrating the benefits of other applicable government programs into the project, and making benefits from the project subject to that integration.

''(4) Increasing the number of small- and medium-sized firms that export and increasing the value of exports from these firms.

''(5) Increasing revenues that small- and medium-sized firms derive from sales to the Federal Government and State and local governments.

''(6) Expanding technology availability to the small- and medium-sized firm segment by increasing access to, and adoption of, the latest technologies being developed at Federal laboratories and at universities.

''(7) Improving the business and manufacturing practices of small- and medium-sized firms to enable them to become competitive in a global marketplace.

''(b) ADVISORY BOARD.—

''(1) IN GENERAL.—In carrying out the project, the Secretary shall establish an advisory board comprised of representatives described in paragraph (2) to provide advice and recommendations with respect to the establishment and operation of the project.

''(2) REPRESENTATIVES.—Representatives referred to in paragraph (1) shall consist of the respective executive directors of each Trade Adjustment Assistance Center affiliated with the trade adjustment assistance for firms program under this chapter.

''(c) DURATION.—The Secretary shall conduct the project for the 3-year period beginning on the date that is 180 days after the date of the enactment of this Act.

''(d) ADMINISTRATION OF PROJECT.—In implementing the project, the Secretary shall give preference, in entering into contracts for the operation and administration of the project, to Trade Adjustment Assistance Centers affiliated with the trade adjustment assistance for firms program under this chapter.

''(e) REPORT.—The Secretary shall submit to the Congress a report on the project under this section not later than 6 months after the date of the completion of the project. Such report shall include—

''(1) information on the impact of the project on mitigating the impact of imports in terms of competitiveness; and

''(2) recommendations on the cost-effectiveness of extending or expanding the project.

''(f) FUNDING.—Of the amounts made available to carry out this chapter for fiscal years 2008 through 2012, not more than $1,000,000 for each such fiscal year is authorized to be made available to carry out this section.''.

(b) CLERICAL AMENDMENT.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the item relating to section 265 the following:

''Sec. 266. Demonstration project on strategic trade transformation assistance.''.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 301. ELIGIBILITY OF CERTAIN OTHER PRODUCERS.

Section 292 of the Trade Act of 1974 (19 U.S.C. 2401a) is amended—

(1) in subsection (a), by inserting ''and on the Website of the Department of Agriculture'' after ''Federal Register''; and

(2) by adding at the end the following:

''(f) ELIGIBILITY OF CERTAIN OTHER PRODUCERS.—An agricultural commodity producer or group of producers that resides outside of the State or region identified in a petition filed under subsection (a) may file a request to become a party to that petition not later than 30 days after the date notice is published in the Federal Register and on the Website of the Department of Agriculture with respect to that petition.''.

TITLE IV—UNEMPLOYMENT INSURANCE

SEC. 301. SHORT TITLE.

This title may be cited as the ''Unemployment Insurance Modernization Act''.

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

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

''Special Transfers in Fiscal Years 2008 Through 2012 for Modernization

''(f)(1)(A) In addition to any other amounts, the Secretary of Labor shall provide for the making of unemployment compensation modernization incentive payments (hereinafter 'incentive payments') to the accounts of the States in the Unemployment Trust Fund, by transfer from amounts reserved for that purpose in the Federal unemployment account, in accordance with succeeding provisions of this subsection.

''(B) The maximum incentive payment allowable under this subsection with respect to any State shall, as determined by the Secretary of Labor, be equal to the amount obtained by multiplying $7,000,000,000 times the same ratio as is applicable under subsection (a)(2)(B) for purposes of determining such State's share of any funds to be transferred under subsection (a) as of October 1, 2007.

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

''(i) one-third shall be transferred to the account of such State upon a certification under paragraph (4)(B) that the State law of such State meets the requirements of paragraph (2); and

''(ii) the remainder shall be transferred to the account of such State upon a certification under

paragraph (4)(B) that the State law of such State meets the requirements of paragraph (3).

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

''(A) uses a base period that includes the most recently completed calendar quarter before the start of the benefit year for purposes of determining eligibility for unemployment compensation; or

''(B) provides that, in the case of an individual who would not otherwise be eligible for unemployment compensation under the State law because of the use of a base period that does not include the most recently completed calendar quarter before the start of the benefit year, eligibility shall be determined using a base period that includes such calendar quarter.

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

''(A) An individual shall not be denied regular unemployment compensation under any State law provisions relating to availability for work, active search for work, or refusal to accept work, solely because such individual is seeking only part-time (and not full-time) work, except that the State law provisions carrying out this subparagraph may exclude an individual if a majority of the weeks of work in such individual's base period do not include part-time work.

''(B) An individual shall not be disqualified from regular unemployment compensation for separating from employment if that separation is for compelling family reasons. For purposes of this subparagraph, the term 'compelling family reasons' includes at least the following:

''(i) Domestic violence (verified by such reasonable and confidential documentation as the State law may require) which causes the individual reasonably to believe that such individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family.

''(ii) The illness or disability of a member of the individual's immediate family.

''(iii) The need for the individual to accompany such individual's spouse—

''(I) to a place from which it is impractical for such individual to commute; and

''(II) due to a change in location of the spouse's employment.

''(C) Weekly unemployment compensation is payable under this subparagraph to any individual who is unemployed (as determined under the State unemployment compensation law), has exhausted all rights to regular and (if applicable) extended unemployment compensation under the State law, and is enrolled and making satisfactory progress in a State-approved training program or in a job training program authorized under the Workforce Investment Act of 1998. Such program shall prepare individuals who have been separated from a declining occupation, or who have been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment, for entry into a high-demand occupation. The amount of unemployment compensation payable under this subparagraph to an individual for a week of unemployment shall be equal to the individual's average weekly benefit amount (including dependents' allowances) for the most recent benefit year, and the total amount of unemployment compensation payable under this subparagraph to any individual shall be equal to at least 26 times the individual's average weekly benefit amount (including dependents' allowances) for the most recent benefit year.

''(4)(A) Any State seeking an incentive payment under this subsection shall submit an application therefor at such time, in such manner, and complete with such information as the Secretary of Labor may by regulation prescribe, including information relating to compliance with the requirements of paragraph (2) or (3), as well as how the State intends to use the incentive payment to improve or strengthen the State's unemployment compensation program. The Secretary of Labor shall, within 90 days after receiving a complete application, notify the State agency of the State of the Secretary's findings with respect to the requirements of paragraph (2) or (3) (or both).

''(B) If the Secretary of Labor finds that the State law provisions (disregarding any State law provisions which are not then currently in effect as permanent law or which are subject to discontinuation under certain conditions) meet the requirements of paragraph (2) or (3), as the case may be, the Secretary of Labor shall thereupon make a certification to that effect to the Secretary of the Treasury, together with a certification as to the amount of the incentive payment to be transferred to the State account pursuant to that finding. The Secretary of the Treasury shall make the appropriate transfer within 30 days after receiving such certification.

''(C)(i) No certification of compliance with the requirements of paragraph (2) or (3) may be made with respect to any State whose State law is not otherwise eligible for certification under section 303 or approvable under section 3304 of the Federal Unemployment Tax Act.

''(ii) No certification of compliance with the requirements of paragraph (3) may be made with respect to any State whose State law is not in compliance with the requirements of paragraph (2).

''(iii) No application under subparagraph (A) may be considered if submitted before October 1, 2007, or after the latest date necessary (as specified by the Secretary of Labor in regulations) to ensure that all incentive payments under this subsection are made before October 1, 2012.

''(5)(A) Except as provided in subparagraph (B), any amount transferred to the account of a State under this subsection may be used by such State only in the payment of cash benefits to individuals with respect to their unemployment (including for dependents' allowances and for unemployment compensation under paragraph (3)(C)), exclusive of expenses of administration.

''(B) A State may, subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection), use any amount transferred to the account of such State under this subsection for the administration of its unemployment compensation law and public employment offices.

''(6) Out of any money in the Federal unemployment account not otherwise appropriated, the Secretary of the Treasury shall reserve $7,000,000,000 for incentive payments under this subsection. Any amount so reserved shall not be taken into account for purposes of any determination under section 902, 910, or 1203 of the amount in the Federal unemployment account as of any given time. Any amount so reserved for which the Secretary of the Treasury has not received a certification under paragraph (4)(B) by the deadline described in paragraph (4)(C)(iii) shall, upon the close of fiscal year 2012, become unrestricted as to use as part of the Federal unemployment account.

''(7) For purposes of this subsection, the terms 'benefit year', 'base period', and 'week' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''Special Transfers in Fiscal Years 2008 Through 2012 for Administration

''(g)(1) Notwithstanding any other provision of this section, the total amount available for transfer to the accounts of the States pursuant to subsection (a) as of the beginning of each of fiscal years 2008, 2009, 2010, 2011, and 2012 shall be equal to the total amount which (disregarding this subsection) would otherwise be so available, increased by $100,000,000.

''(2) Each State's share of any additional amount made available by this subsection shall be determined, certified, and computed in the same manner as described in subsection (a)(2) and shall be subject to the same limitations on transfers as described in subsection (b). For purposes of applying subsection (b)(2), the balance of any advances made to a State under section 1201 shall be credited against, and operate to reduce (but not below zero)—

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

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

''(3) Any additional amount transferred to the account of a State as a result of the enactment of this subsection—

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

''(i) the administration of the provisions of its State law carrying out the purposes of subsection (f)(2) or any subparagraph of subsection (f)(3);

''(ii) improved outreach to individuals who might be eligible for regular unemployment compensation by virtue of any provisions of the State law which are described in clause (i);

''(iii) the improvement of unemployment benefit and unemployment tax operations; and

''(iv) staff-assisted reemployment services for unemployment compensation claimants; and

''(B) shall be excluded from the application of subsection (c).

''(4) The total additional amount made available by this subsection in a fiscal year shall be taken out of the amounts remaining in the employment security administration account after subtracting the total amount which (disregarding this subsection) is otherwise required to be transferred from such account in such fiscal year pursuant to subsections (a) and (b).''.

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

SEC. 303. EXTENSION OF FUTA TAX.

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

(1) by striking ''2007'' in paragraph (1) and inserting ''2010'', and

(2) by striking ''2008'' in paragraph (2) and inserting ''2011''.

SEC. 304. SAFETY NET REVIEW COMMISSION.

(a) ESTABLISHMENT.—The Secretary of Labor shall establish an advisory commission to be known as the ''Safety Net Review Commission'' (hereinafter in this section referred to as the ''Commission'').

(b) FUNCTION.—It shall be the function of the Commission to evaluate the unemployment compensation program, the Trade Adjustment Assistance program, the Job Corps program, a program under the Workforce Investment Act, and other employment assistance programs, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of each such program, as well as any related provisions of the Internal Revenue Code of 1986, and to make recommendations for their improvement.

(c) MEMBERS.—

(1) IN GENERAL.—The Commission shall consist of 11 members as follows:

(A) 5 members appointed by the President, to include representatives of business, labor, State government, and the public.

(B) 3 members appointed by the President pro tempore of the Senate, in consultation with the Chairman and ranking member of the Committee on Finance of the Senate.

(C) 3 members appointed by the Speaker of the House of Representatives, in consultation with the Chairman and ranking member of the Committee on Ways and Means of the House of Representatives.

(2) QUALIFICATIONS.—In appointing members under subparagraphs (B) and (C) of paragraph (1), the President pro tempore of the Senate and the Speaker of the House of Representatives shall each appoint—

(A) 1 representative of the interests of business,

(B) 1 representative of the interests of labor, and

(C) 1 representative of the interests of State governments.

(3) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) CHAIRMAN.—The President shall appoint the Chairman of the Commission from among its members.

(d) STAFF AND OTHER ASSISTANCE.—

(1) IN GENERAL.—The Commission may engage any technical assistance (including actuarial services) required by the Commission to carry out its functions under this section.

(2) ASSISTANCE FROM SECRETARY OF LABOR.—The Secretary of Labor shall provide the Commission with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Commission to carry out its functions under this section.

(e) COMPENSATION.—Each member of the Commission—

(1) shall be entitled to receive compensation at the rate of pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Commission; and

(2) while engaged in the performance of such duties away from such member's home or regular place of business, shall be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title 5 for persons in the Government employed intermittently.

(f) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Commission shall submit to the President and the Congress a report setting forth the findings and recommendations of the Commission as a result of its evaluation under this section.

(g) TERMINATION.—The Commission shall terminate 2 months after submitting its report pursuant to subsection (f).

TITLE V—MANUFACTURING REDEVELOPMENT ZONES

SEC. 401. MANUFACTURING REDEVELOPMENT ZONES.

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

"PART III—MANUFACTURING REDEVELOPMENT ZONES

"SEC. 1400U–1. DESIGNATION OF MANUFACTURING REDEVELOPMENT ZONES.

"(a) IN GENERAL.—From among the areas nominated for designation under this section, the Secretary may designate manufacturing redevelopment zones.

"(b) LIMITATIONS ON DESIGNATIONS.—The Secretary may designate in the aggregate 24 nominated areas as manufacturing redevelopment zones, subject to the availability of eligible nominated areas. The Secretary shall designate manufacturing redevelopment zones in such manner that the aggregate population of all such zones does not exceed 2,000,000.

"(c) PERIOD DESIGNATION MAY BE MADE.—A designation may be made under subsection (a) only during the 2-year period beginning on the date of the enactment of this section.

"(d) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation under this section shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) the close of the 10th calendar year beginning on or after the date of the designation,

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

"(C) the date the Secretary revokes the designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which it is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving the benchmarks set forth in, the strategic plan included with the application

"(e) LIMITATIONS ON DESIGNATIONS; APPLICATION.—Rules similar to the rules of subsections (e) and (f) of section 1391 shall apply for purposes of this section except that the rules of such subsection (f) shall be applied with respect to the eligibility criteria specified in section 1400U–2.

"(f) DETERMINATIONS OF POPULATION.—Any determination of population under this part shall be made on the basis of the most recent decennial census for which data are available.

"SEC. 1400U–2. ELIGIBILITY CRITERIA.

"(a) IN GENERAL.—A nominated area shall be eligible for designation under section 1400U–1 only if—

"(1) it meets each of the criteria specified in section 1392(a),

"(2) the nominated area has experienced a significant decline in the number of individuals employed in manufacturing or has a high concentration of abandoned or underutilized manufacturing facilities, and

"(3) no portion of the nominated area is located in an empowerment zone or renewal community, unless the local government which nominated the area elects to terminate such designation as an empowerment zone or renewal community.

"(b) APPLICATION OF CERTAIN RULES; DEFINITIONS.—For purposes of this subchapter—

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

"(2) any term defined in section 1393 shall have the same meaning when used in this subchapter.

"(c) DISCRETION TO ADJUST REQUIREMENTS.—In determining whether a nominated area is eligible for designation as a manufacturing redevelopment zone, the Secretary may, where necessary to carry out the purposes of this part, waive the requirement of section 1392(a)(4) if it is shown that the nominated area has experienced a loss of manufacturing jobs during the previous 20 years which is in excess of 25 percent.

"SEC. 1400U–3. MANUFACTURING REDEVELOPMENT TAX CREDIT BONDS.

"(a) IN GENERAL.—For purposes of subpart I of part IV of subchapter A (relating to qualified tax credit bonds), the term 'manufacturing redevelopment bond' means any bond issued as part of an issue if—

"(1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified manufacturing redevelopment purposes,

"(2) the bond is not a private activity bond, and

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

"(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under subsection (a) with respect to any manufacturing redevelopment zone shall not exceed $150,000,000.

"(c) QUALIFIED MANUFACTURING REDEVELOPMENT PURPOSE.—For purposes of this section, the term 'qualified manufacturing redevelopment purposes' means capital expenditures paid or incurred with respect to property located in a manufacturing redevelopment zone for purposes of promoting development or other economic activity in such zone, including expenditures for environmental remediation, improvements to public infrastructure, and construction of public facilities.

"(d) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 54A shall have the same meaning given such term by section 54A.

"SEC. 1400U–4. TAX-EXEMPT MANUFACTURING ZONE FACILITY BONDS.

"(a) IN GENERAL.—For purposes of part IV of subchapter B (relating to tax exemption requirements for State and local bonds), the term 'exempt facility bond' includes any bond issued as part of an issue if—

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

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

"(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—The aggregate face amount of bonds which may be designated under subsection (a)(2) with respect to any manufacturing redevelopment zone shall not exceed $230,000,000.

"(2) CURRENT REFUNDING NOT TAKEN INTO ACCOUNT.—In the case of a refunding (or series of refundings) of a bond designated under this section, the refunding obligation shall be treated as designated under subsection (a)(2) (and shall not be taken into account in applying paragraph (1)) if—

"(A) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

"(B) the refunded bond is redeemed not later than 90 days after the date of issuance of the refunding bond.

"(c) LIMITATION ON AMOUNT OF BONDS ALLOCABLE TO ANY PERSON.—

"(1) IN GENERAL.—Subsection (a) shall not apply to any issue if the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person (taking into account such issue) exceeds—

"(A) $15,000,000 with respect to any 1 manufacturing redevelopment zone, or

''(B) $20,000,000 with respect to all manufacturing redevelopment zones.

''(2) AGGREGATE ENTERPRISE ZONE FACILITY BOND BENEFIT.—For purposes of paragraph (1), the aggregate amount of outstanding manufacturing zone facility bonds allocable to any person shall be determined under rules similar to the rules of section 144(a)(10), taking into account only bonds to which subsection (a) applies.

''(d) MANUFACTURING ZONE PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'manufacturing zone property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on which the designation of the manufacturing redevelopment zone took effect,

''(B) the original use of which in the manufacturing redevelopment zone commences with the taxpayer, and

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

''(2) QUALIFIED BUSINESS.—The term 'qualified business' means any trade or business except that—

''(A) the rental to others of real property located in a manufacturing redevelopment zone shall be treated as a qualified business only if the property is not residential rental property (as defined in section 168(e)(2)), and

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

''(3) SPECIAL RULES FOR SUBSTANTIAL RENOVATIONS AND SALE-LEASEBACK.—Rules similar to the rules of subsections (a)(2) and (b) of section 1397D shall apply for purposes of this subsection.

''(e) NONAPPLICATION OF CERTAIN RULES.—Sections 57(a)(5) (relating to tax-exempt interest), 146 (relating to volume cap), and 147(d) (relating to acquisition of existing property not permitted) shall not apply to any manufacturing zone facility bond.

''SEC. 1400U–5. ADDITIONAL LOW-INCOME HOUSING CREDITS.

''(a) IN GENERAL.—For purposes of section 42, in the case of each calendar year during which the designation of a manufacturing redevelopment zone is in effect, the State housing credit ceiling of the State which includes such manufacturing redevelopment zone shall be increased by the lesser of—

''(1) the aggregate housing credit dollar amount allocated by the State housing credit agency of such State to buildings located in such manufacturing redevelopment zone for such calendar year, or

''(2) the excess of—

''(A) the manufacturing zone housing amount with respect to such manufacturing redevelopment zone, over

''(B) the aggregate increases under this subsection with respect to such zone for all preceding calendar years.

''(b) MANUFACTURING ZONE HOUSING AMOUNT.—For purposes of subsection (a), the term 'manufacturing zone housing amount' means, with respect to any manufacturing redevelopment zone, the product of $20 multiplied by the population of such zone.

''(c) OTHER RULES.—

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

''(2) RETURNED AMOUNTS.—If any amount of State housing credit ceiling which was taken into account under subsection (a)(1) is returned within the meaning of section 42(h)(3)(C)(iii)—

''(A) such amount shall not be taken into account under such section, and

''(B) such allocation shall cease to be treated as an increase under this subsection for purposes of subsection (a)(2)(B) until reallocated.''.

(b) APPLICATION OF WORK OPPORTUNITY TAX CREDIT TO MANUFACTURING REDEVELOPMENT ZONES.—Subparagraphs (A) and (B) of section 51(d)(5) of such Code are each amended by inserting ''manufacturing redevelopment zone,'' after ''renewal community,''.

(c) CONFORMING AMENDMENTS RELATED TO MANUFACTURING REDEVELOPMENT TAX CREDIT BONDS.—

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

''Subpart I—Qualified Tax Credit Bonds

''SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a qualified tax credit bond on one or more credit allowance dates of the bond during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

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

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tax credit bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate is the rate which the Secretary estimates will permit the issuance of qualified tax credit bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer. The applicable credit rate with respect to any qualified tax credit bond shall be determined as of the first day on which there is a binding, written contract for the sale or exchange of the bond.

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

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

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than subpart C and this subpart).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year (determined before the application of paragraph (1) for such succeeding taxable year).

''(d) QUALIFIED TAX CREDIT BOND.—For purposes of this section—

''(1) QUALIFIED TAX CREDIT BOND.—The term 'qualified tax credit bond' means a manufacturing redevelopment bond (as defined in section 1400U–3) which is part of an issue that meets the requirements of paragraphs (2), (3), (4), (5), and (6).

''(2) SPECIAL RULES RELATING TO EXPENDITURES.—

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

''(i) 100 percent or more of the available project proceeds to be spent for 1 or more qualified purposes within the 3-year period beginning on such date of issuance, and

''(ii) a binding commitment with a third party to spend at least 10 percent of such available project proceeds will be incurred within the 6-month period beginning on such date of issuance.

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

''(i) IN GENERAL.—To the extent that less than 100 percent of the available project proceeds of the issue are expended by the close of the expenditure period for 1 or more qualified purposes, the issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(ii) EXPENDITURE PERIOD.—For purposes of this subpart, the term 'expenditure period' means, with respect to any issue, the 3-year period beginning on the date of issuance. Such term shall include any extension of such period under clause (iii).

''(iii) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the expenditure period (determined without regard to any extension under this clause), the Secretary may extend such period if the issuer establishes that the failure to expend the proceeds within the original expenditure period is due to reasonable cause and the expenditures for qualified purposes will continue to proceed with due diligence.

''(C) QUALIFIED PURPOSE.—For purposes of this paragraph, the term 'qualified purpose' means a purpose specified in section 1400U–3(a)(1).

''(D) REIMBURSEMENT.—For purposes of this subtitle, available project proceeds of an issue shall be treated as spent for a qualified purpose if such proceeds are used to reimburse the issuer for amounts paid for a qualified purpose after the date that the Secretary makes an allocation of bond limitation with respect to such issue, but only if—

''(i) prior to the payment of the original expenditure, the issuer declared its intent to reimburse such expenditure with the proceeds of a qualified tax credit bond,

''(ii) not later than 60 days after payment of the original expenditure, the issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

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

''(4) SPECIAL RULES RELATING TO ARBITRAGE.—

''(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

''(B) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be

treated as failing to meet the requirements of subparagraph (A) by reason of any investment of available project proceeds during the expenditure period.

''(C) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any fund which is expected to be used to repay such issue if—

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

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

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

''(5) MATURITY LIMITATION.—

''(A) IN GENERAL.—An issue shall not be treated as meeting the requirements of this paragraph if the maturity of any bond which is part of such issue exceeds the maximum term determined by the Secretary under subparagraph (B).

''(B) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

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

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) AVAILABLE PROJECT PROCEEDS.—The term 'available project proceeds' means—

''(A) the excess of—

''(i) the proceeds from the sale of an issue, over

''(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

''(B) the proceeds from any investment of the excess described in subparagraph (A).

''(f) CREDIT TREATED AS INTEREST.—For purposes of this subtitle, the credit determined under subsection (a) shall be treated as interest which is includible in gross income.

''(g) S CORPORATIONS AND PARTNERSHIPS.—In the case of a tax credit bond held by an S corporation or partnership, the allocation of the credit allowed by this section to the shareholders of such corporation or partners of such partnership shall be treated as a distribution.

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If any qualified tax credit bond is held by a regulated investment company or a real estate investment trust, the credit determined under subsection (a) shall be allowed to shareholders of such company or beneficiaries of such trust (and any gross income included under subsection (f) with respect to such credit shall be treated as distributed to such shareholders or beneficiaries) under procedures prescribed by the Secretary.''.

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

''(9) REPORTING OF CREDIT ON QUALIFIED TAX CREDIT BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(e)(1)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(3) OTHER CONFORMING AMENDMENTS RELATED TO TAX CREDIT BONDS.—

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

(B) Section 1397E(c)(2) of such Code is amended by striking ''subpart H'' and inserting ''subparts H and I''.

(C) Section 6401(b)(1) of such Code is amended by striking ''and H'' and inserting ''H, and I''.

*(D) The heading of subpart H of part IV of subchapter A of chapter 1 of such Code is amended by striking ''**Certain Bonds**'' and inserting ''**Clean Renewable Energy Bonds**''.*

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

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

''SUBPART I—QUALIFIED TAX CREDIT BONDS''.

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

''PART III—MANUFACTURING REDEVELOPMENT BONDS''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

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

(3) WORK OPPORTUNITY TAX CREDIT.—The amendments made by subsection (b) shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

SEC. 402. DELAY IN APPLICATION OF WORLDWIDE INTEREST ALLOCATION.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) of the Internal Revenue Code of 1986 are each amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

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

TITLE VI—WORKER ADJUSTMENT AND RETRAINING NOTIFICATION

SEC. 601. SHORT TITLE.

This title may be cited as the ''Early Warning and Health Care for Workers Affected by Globalization Act''.

SEC. 602. AMENDMENTS TO THE WARN ACT.

(a) DEFINITIONS.—

(1) EMPLOYER, PLANT CLOSING, AND MASS LAYOFF.—Paragraphs (1) through (3) of section 2(a) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101(a)(1)–(3)) are amended to read as follows:

''(1) the term 'employer' means any business enterprise that employs 100 or more employees;

''(2) the term 'plant closing' means the permanent or temporary shutdown of a single site of employment, or of one or more facilities or operating units within a single site of employment, which results in an employment loss at such site, during any 30-day period, for 50 or more employees;

''(3) the term 'mass layoff' means a reduction in force at a single site of employment which results in an employment loss at such site, during any 30-day period, for 50 or more employees.''.

(2) SECRETARY OF LABOR.—

(A) DEFINITION.—Paragraph (8) of such section is amended to read as follows:

''(8) the term 'Secretary' means the Secretary of Labor or a representative of the Secretary of Labor.''.

(B) REGULATIONS.—Section 8(a) of such Act (29 U.S.C. 2107(a)) is amended by striking ''of Labor''.

(3) CONFORMING AMENDMENTS.—

(A) NOTICE.—Section 3(d) of such Act (29 U.S.C. 2102(d)) is amended by striking out '', each of which is less than the minimum number of employees specified in section 2(a)(2) or (3) but which in the aggregate exceed that minimum number,'' and inserting ''which in the aggregate exceed the minimum number of employees specified in section 2(a)(2) or (3)''.

(B) DEFINITIONS.—Section 2(b)(1) of such Act (29 U.S.C. 2101(b)(1)) is amended by striking ''(other than a part-time employee)''.

(b) NOTICE.—

(1) NOTICE PERIOD.—

(A) IN GENERAL.—Section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102) is amended by striking ''60-day period'' and inserting ''90-day period'' each place it appears.

(B) CONFORMING AMENDMENT.—Section 5(a)(1) of such Act (29 U.S.C. 2104(a)(1)) is amended in the matter following subparagraph (B), by striking ''60 days'' and inserting ''90 days''.

(2) RECIPIENTS.—Section 3(a) of such Act (29 U.S.C. 2102(a)) is amended—

(A) in paragraph (1), by striking ''or, if there is no such representative at that time, to each affected employee; and'' and inserting ''and to each affected employee;''; and

(B) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following:

''(2) to the Secretary; and''.

(3) INFORMATION REGARDING BENEFITS AND SERVICES AVAILABLE TO WORKERS AND DOL NOTICE TO CONGRESS.—Section 3 of such Act (29 U.S.C. 2102) is further amended by adding at the end the following:

''(e) INFORMATION REGARDING BENEFITS AND SERVICES AVAILABLE TO EMPLOYEES.—Concurrent with or immediately after providing the notice required under subsection (a)(1), an employer shall provide affected employees with information regarding the benefits and services available to such employees, as described in the guide compiled by the Secretary under section 12.

''(f) DOL NOTICE TO CONGRESS.—As soon as practicable and not later than 15 days after receiving notification under subsection (a)(2), the Secretary of Labor shall notify the appropriate Senators and Members of the House of Representatives who represent the area or areas where the plant closing or mass layoff is to occur.''.

(c) ENFORCEMENT.—

(1) AMOUNT.—Section 5(a)(1) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2104(a)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking ''back pay for each day of violation'' and inserting ''two days' pay multiplied by the number of calendar days short of 90 that the employer provided notice before such closing or layoff''

(ii) in clause (ii), by striking ''and'' at the end thereof;

(B) by redesignating subparagraph (B) as subparagraph (C);

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

''(B) interest on the amount described in subparagraph (A) calculated at the prevailing rate; and''; and

(D) by striking the matter following subparagraph (C) (as so redesignated).

(2) EXEMPTION.—Section 5(a)(4) of such Act (29 U.S.C. 2104(a)(4)) is amended by striking ''reduce the amount of the liability or penalty provided for in this section'' and inserting ''reduce the amount of the liability under subparagraph (C) of paragraph (1) and reduce the amount of the penalty provided for in paragraph (3)''.

(3) ADMINISTRATIVE COMPLAINT.—Section 5(a)(5) of such Act (29 U.S.C. 2104(a)(5)) is amended—

(A) by striking ''may sue'' and inserting ''may,'';

(B) by inserting after ''both,'' the following: ''(A) file a complaint with the Secretary alleging a violation of section 3, or (B) bring suit''; and

(C) by adding at the end thereof the following new sentence: ''A person seeking to enforce such liability may use one or both of the enforcement mechanisms described in subparagraphs (A) and (B).''.

(4) ACTION BY THE SECRETARY.—Section 5 of such Act (29 U.S.C. 2104) is amended—

(A) by redesignating subsection (b) as subsection (d); and

(B) by inserting after subsection (a) the following new subsections:

''(b) ACTION BY THE SECRETARY.—

''(1) ADMINISTRATIVE ACTION.—The Secretary shall receive, investigate, and attempt to resolve complaints of violations of section 3 by an employer in the same manner that the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

''(2) SUBPOENA POWERS.—For the purposes of any investigation provided for in this section, the Secretary shall have the subpoena authority provided for under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

''(3) SUMS RECOVERED.—Any sums recovered by the Secretary on behalf of an employee under subparagraphs (A), (B), and (D) of section 5(a)(1) shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to each employee affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years, and any sums recovered by the Secretary under subparagraph (C) of section 5(a)(1), shall be credited as an offsetting collection to the appropriations account of the Secretary of Labor for expenses for the administration of this Act and shall remain available to the Secretary until expended.

''(c) LIMITATIONS.—

''(1) LIMITATIONS PERIOD.—An action may be brought under this section not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

''(2) COMMENCEMENT.—In determining when an action is commenced under this section for the purposes of paragraph (1), it shall be considered to be commenced on the date on which the complaint is filed.''.

(d) POSTING OF NOTICES; PENALTIES.—Section 11 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101 note) is amended to read as follows:

''SEC. 11. POSTING OF NOTICES; PENALTIES.

''(a) POSTING OF NOTICES.—Each employer shall post and keep posted in conspicuous places upon its premises where notices to employees are customarily posted a notice to be prepared or approved by the Secretary setting forth excerpts from, or summaries of, the pertinent provisions of this chapter and information pertinent to the filing of a complaint.

''(b) PENALTIES.—A willful violation of this section shall be punishable by a fine of not more than $500 for each separate offense.''.

(e) NON-WAIVER OF RIGHTS AND REMEDIES; INFORMATION REGARDING BENEFITS AND SERVICES AVAILABLE TO EMPLOYEES.—Such Act is further amended by adding at the end the following:

''SEC. 12. RIGHTS AND REMEDIES NOT SUBJECT TO WAIVER.

''(a) IN GENERAL.—The rights and remedies provided under this Act (including the right to maintain a civil action) may not be waived, deferred, or lost pursuant to any agreement or settlement other than an agreement or settlement described in subsection (b).

''(b) AGREEMENT OR SETTLEMENT.—An agreement or settlement referred to in subsection (a) is an agreement or settlement negotiated by the Secretary, an attorney general of any State, or a private attorney on behalf of affected employees.

''SEC. 13. INFORMATION REGARDING BENEFITS AND SERVICES AVAILABLE TO WORKERS.

''The Secretary of Labor shall maintain a guide of benefits and services which may be available to affected employees, including unemployment compensation, trade adjustment assistance, COBRA benefits, and early access to training and other services, including counseling services, available under the Workforce Investment Act of 1998. Such guide shall be available on the Internet website of the Department of Labor and shall include a description of the benefits and services, the eligibility requirements, and the means of obtaining such benefits and services. Upon receiving notice from an employer under section 3(a)(2), the Secretary shall immediately transmit such guide to such employer.''.

(f) NOTICE EXCUSED WHERE CAUSED BY TERRORIST ATTACK.—Section 3(b)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(b)(2)) is amended by adding at the end the following new subparagraph:

''(C) No notice under this Act shall be required if the plant closing or mass layoff is due directly or indirectly to a terrorist attack on the United States.''.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, the provisions of this Act, and the amendments made by this Act, shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Debate shall not exceed 1 hour, with 40 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor.

After 1 hour of debate on the bill, as amended, it shall be in order to consider the amendment in the nature of a substitute printed in part B of the report, if offered by the gentleman from Louisiana (Mr. MCCRERY) or his designee, which shall be in order without intervention of any point of order, shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 20 minutes, and the gentleman from California (Mr. GEORGE MILLER) and the gentleman from California (Mr. MCKEON) each will control 10 minutes.

The Chair recognizes the gentleman from New York.

□ 1215

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Before I ask unanimous consent to yield the balance of my time to our distinguished subcommittee chairman for Trade, Mr. LEVIN, I first want to thank Mr. MCCRERY for helping to set the stage for at least the Ways and Means Committee to vote unanimously for the free trade agreement with Peru. This was a record vote, this was a historic vote, and we had every vote on the committee.

I raise that at this time not to curry favor with the Republicans to support this historic piece of legislation before us, but because I know from Mr. MCCRERY's input and contribution, he recognizes that trade no longer has to be seen as something that is negative to American workers.

Good trade agreements that create jobs should be allowed a vote and not be hurried so that Members are not impeded from the policy and really have an opportunity to study the substance. Without his cooperation and that of the United States Trade Representative and Secretary Treasurer, we would not even have the opportunity to look forward to the bipartisan victory we had in the committee and look forward to on the floor.

A part of that agreement, however, was he and I sharing that when people are without work, without jobs, without hope, when communities are adversely affected because of trade, that our government and our multinationals have a responsibility not just to their shareholders, but to do all that they can to ease the pain, to encourage investment, and to have a climate, whether it is globalization or technology, to know that trade is not always the villain.

And to the extent we are able to improve on many of the things that we have in this bill before us, we do hope that the Trade and Globalization Assistance Act will be just the beginning. That whether it is trade or not, we have a responsibility to the dignity of American workers and their children so that in this great country they can

aspire to be working and to have the respect that all Americans would want in terms of being producers.

So to the extent that we had the cooperation of Mr. MCCRERY in creating the climate, and fully appreciating that we had input from Republicans on the Ways and Means Committee, even though we didn't ask for their votes and accept their amendments, it is this climate that makes our country so great, that makes this Congress so great, and makes me proud to be the Chair and a member of the Ways and Means Committee.

I rise today in strong support of H.R. 3920, the Trade and Globalization Assistance Act of 2007.

We come here today at a crossroads of sorts.

In recent years, trade policy has been a dividing force, used as a political tool to advance ideologies, rather than a shared sense of purpose that our trade agreements and programs could reflect the broader goals of the American worker.

The legislation before us today offers an opportunity to change that.

In the early months of this Congress, I joined with the Speaker and the House leadership to remind the Administration that the Constitution specifically designates Congress as the branch of government responsible for international commerce.

We agreed that we took that responsibility seriously and we would use our majority to improve American trade policy to better reflect the needs and concerns of our workers, not just our large, multi-national corporations.

The legislation before us today is the next step in developing a new trade policy that more adequately addresses the growing perception that trade is not working for American workers.

The Trade and Globalization Assistance Act of 2007 would expand training and benefits for workers while also helping to encourage investment in communities that have lost jobs to increased trade—particularly in our manufacturing sector.

The growing perception that prior American trade policy ignored the needs of workers here and abroad is a large contributing factor to the declining public support for trade.

For years we have had a program in place—trade adjustment assistance, or TAA—that was supposed to tackle some of the issues and problems workers face as it relates to trade.

Despite the best of intentions, this program did not meet expectations or promises and has failed to keep pace with globalization.

We are here to change that today with the Trade and Globalization Assistance Act of 2007.

The bill before us today is a comprehensive policy expanding opportunities for American workers, industries, and communities to prepare for and overcome the challenges created by expanded trade.

First, the bill significantly expands existing TAA for Workers by: 1) covering service workers and additional manufacturing workers; 2) increasing TAA benefits; 3) making the TAA wage insurance program permanent; 4) improving the TAA health care benefit; and 5) increasing TAA program funding.

Second, the bill includes a package of tax incentives to encourage investment in distressed communities that have lost manufacturing jobs.

Third, recognizing that unemployment insurance (UI) is the gateway to TAA, the bill reforms the unemployment insurance system by creating incentives for States to cover part-time, low-wage, and other workers under State UI laws.

America's ability to compete and win in a global economy is too critical for our trade policy to continue being a partisan issue.

I noticed with great displeasure yesterday's veto threat from the Administration on this bill. To that statement, I would say that the bill before us today passed the Ways and Means Committee with Democratic and Republican support—and I expect it will receive the same from the full House.

The issues contained in this bill are central to the ongoing debate over the Administration's trade policy and if this Administration wishes to address the growing public concern over the direction of its trade policy, it will reconsider this veto threat.

Globalization is here to stay—and we must band together as Democrats and Republicans to shape its benefits for all Americans.

I look forward to today's discussion and I urge you to support H.R. 3920, the Trade and Globalization Assistance Act of 2007.

At this time I would like unanimous consent to yield the balance of my time to the gentleman from Michigan (Mr. LEVIN), the chairman of the Subcommittee on Trade, who has played such an important role in creating that climate and working with the staff and the members on the other side.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan is recognized for the balance of the time.

There was no objection.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I return the compliment to the chairman of the Ways and Means Committee for helping to create an atmosphere on our committee which has allowed us to make great progress in the area of trade, as evidenced by today's 39–0 vote in favor of advancing the Peru Free Trade Agreement.

The chairman and I have talked many times this year about the need to have a more viable assistance program or network of programs at the Federal level as well as in the private sector to assist workers in our country who lose their jobs through no fault of their own, who lose their jobs because of trade or because of globalization more generally. The chairman has been very good at listening to our suggestions from the minority and considering those.

Unfortunately, for whatever reason, the bill that is before the House today does not reflect any of our suggestions or proposals that we have shared with the majority; and that's unfortunate, although I have been assured by the chairman that as this bill works its way through the rest of the process, our ideas may yet receive consideration and perhaps inclusion. So I remain hopeful of that.

But the bill that is before us today does not contain those and it contains, I think, a number of weaknesses which compel me to not support the bill that is before the House today but instead to support a substitute which I will offer later in the debate.

In talking about the majority bill that's on the floor today as a threshold matter, and the chairman knows this because I have talked with him about it, I think we should be considering trade adjustment assistance, unemployment insurance, modification of those programs in the context of trade opportunities generally for United States workers, farmers and businesses. That is to say, I think we should be considering modifications to our assistance network in the context of the pending free trade agreements that are before the Congress and the expired trade promotion authority. Unfortunately, we are not doing that. We are considering TAA in isolation.

The alternative that I offer today would reauthorize trade adjustment assistance for 5 years. To help workers gain the skills needed to adapt to the changing global economy, our bill would restructure TAA from a predominantly income support program that offers training into a job retraining program that improves access to more flexible training and continues to provide income support, health care, and other benefits.

The contrasts between the substitute I will offer and H.R. 3920, the bill on the floor, are quite stark. For example, H.R. 3920 would pointlessly keep people in trade adjustment assistance longer. Our substitute would provide more flexible training options to get people back to work sooner, including by training before layoff and training part-time and giving people training scholarships to use over 4 years.

H.R. 3920 would increase TAA spending by billions of dollars, but would not require any further accountability on how program funds are spent. Our bill introduces some elements of accountability in that spending.

H.R. 3920 would greatly expand TAA and, I think, exacerbate the inefficiencies in the program today. Our bill would better integrate TAA and other Federal programs to make more services available to all workers.

H.R. 3920 would extend benefits to public sector workers and submit State and local officials to subpoenas and legal proceedings to comply. Our bill would maintain the focus of the program on private sector workers.

H.R. 3920 would greatly expand the health coverage tax credit, but then

terminate that credit in 2 years. I don't know exactly why the majority chose to terminate this health care tax credit in 2 years. They have, in way of explanation, said that they think the current way the tax credit is structured may not be the best way to do it so they may use these 2 years to come up with another plan. That may be; but the fact is that the bill terminates the health care tax credit in 2 years. They also increase the credit from 65 percent to 85 percent which I believe is not warranted. Our substitute would increase the credit from 65 percent to 70 percent, and would continue that credit for the entire 5-year life of the bill.

There are other differences. One that we think is notable is the new markets tax credit that we would expand. We think that is a more efficient way to address communities that have been directly impacted by trade. The tax credit bonds in the majority bill we think are untested. They could be subject to abuse and uses that are not really related to impacts of trade.

I also want to express my clear opposition to how the majority pays for the $10 billion cost of their bill. First, they would delay interest allocation rules that this Congress enacted in 2004. We did that to address an unfairness for American companies that do business overseas. The effect of delaying the application of that change that we made would be to make United States companies less competitive.

Second, they would unnecessarily, in our view, increase Federal unemployment payroll taxes by extending the 0.2 percent FUTA surtax that is due to expire at the end of this year for another 3 years.

I regret that this bill does not reflect what I hoped to be our bipartisan approach to trade adjustment assistance or to our trade agenda beyond the Peru FTA, and I reluctantly will oppose it and support the substitute.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair would now recognize the 20 minutes allotted to the gentleman from California (Mr. GEORGE MILLER) and to the gentleman from California (Mr. MCKEON).

The Chair recognizes the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Thank you, Mr. Speaker. I yield myself 3 minutes.

Mr. Speaker, the typical income of American households has actually declined between 2002 and 2006 in inflation-adjusted terms. Last year, the number of Americans without health insurance actually increased by over 2 million.

For years now, Americans have had to deal with stagnating incomes and rising costs for basics like health care, food, energy and housing. For many reasons, Americans are deeply concerned about the future of their economy and their place in it. One cause of their concern is the negative consequences they see from international trade.

Indeed, Americans find themselves increasingly caught in the crosshairs of the global economy. They have watched neighbors, friends and loved ones lose their jobs when plants close and move overseas. Americans have become even more skeptical about trade agreements, and for good reason. They have watched jobs move to China, and in return they get lead-poisoned toys.

Given these very real concerns, it is critical that we include in trade agreements strong and enforceable labor and environmental protections. And we must provide substantial assistance to workers who are negatively affected by this trade.

On the first part, I want to thank the committee for what they have done in terms of the trade agreements with these labor and environmental protections and I want to thank them for this legislation today.

This legislation we are considering addresses this very important point of what happens to those workers who have the negative consequences of international trade. This legislation helps ensure that displaced workers can help make ends meet while they find a new job, or in the case of older workers, until they reach retirement age.

The bill requires a layoff or plant closing notification if 50 or more employees, including part-time employees, at a single job site are laid off in a 30-day period. It eliminates a loophole that has allowed employers to avoid giving notices by shifting employees around job sites.

The bill increases notice to employees of a plant closing or mass layoff from 60 to 90 days, and that is very important.

And it also says that TAA-eligible employees can extend their COBRA coverage for as long as they remain TAA-eligible, up to 2½ years. And TAA-eligible employees who are 55 years or older and who have worked for an employer for more than 10 years can extend their COBRA coverage until they are eligible for Medicare at age 65, or covered by another health care plan. The coverage is available to workers today, but only up to 18 months. The bill extends that provision.

This is the most important provision for those workers who lose their income and lose their job, trying to hold their families together, and also see the loss of their health care. COBRA is of no cost to the government. The employee must pay the employer share, the employee share, and the 2 percent administrative cost. Over 40 million Americans have used COBRA coverage. But in any given year, only 2 to 3 million Americans are on the program, and close to 200,000 people are losing that coverage every month. This is an important benefit to these workers and certainly to people who have preexisting conditions and know they will not be able to go in and find insurance that they can afford or that is even available to them.

It is important that we make certain that these older workers are able to bridge the time until they reach Medicare eligibility so they will have continuity of health care.

This is good legislation. I hope my colleagues on the floor will support this legislation.

□ 1230

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume in opposition to this bill.

The legislation before us is supposed to be about reforming the Trade Adjustment Assistance program. As flawed as the underlying TAA provisions are, their weaknesses are amplified by the inclusion of separate, largely unrelated legislation that moved through the Education and Labor Committee.

That bill, which has been folded into the larger TAA package, modifies the WARN Act and COBRA, two statutes that were not even designed to help workers impacted by globalization get the tools and training they needed to get back to work.

We've heard time and again that in order to effectively respond to competitive challenges we need to bolster our education and training systems to better prepare current and future workers for success.

Unfortunately, the provisions inserted into the broader TAA bill take a different approach. Instead of offering proactive solutions that will allow American workers to compete and thrive, these policies do nothing more than layer on additional Federal red tape for employers while offering only incremental provisions for workers that would do nothing to help them adjust to the changing workplace.

The proposal for a massive expansion of the WARN Act would be incredibly burdensome for employers struggling to keep pace with a changing economy. The limitations of this proposal do not match the real-world scenarios in which employers may be shifting their workforce to meet changing needs.

The bill mandates a full 90 days' notice before a plant closure or other mass layoff, requiring employers to remain stagnant for a full fiscal quarter before adjusting their workforce. This, despite the fact that in order to keep and create jobs here at home, employers need a workforce that is flexible and adaptable. Layered on top of that unworkable time frame is a requirement that double damages be paid by any employer unable to comply. This would create a system that is more focused on punishing employers than

truly helping workers who lose their jobs.

Similarly, the selective expansion of COBRA availability seems to focus more on compliance and red tape than on offering genuine solutions to workers who need assistance and retraining as a result of globalization. It creates an unfair system in which not all workers who lose their jobs would have access to the same health care options. The bill uses TAA eligibility as a trigger for expanded COBRA coverage but extends the coverage almost indefinitely. This is inconsistent with existing COBRA eligibility and inconsistent with other TAA benefits.

The Education and Labor Committee convened a hearing in March to examine the impact of international trade on American workers. The challenges we considered during that hearing are the same challenges we appear to be attempting to address today. Yet during that hearing, not a single witness suggested or endorsed these bloated, bureaucratic WARN Act and COBRA proposals.

We all know that American companies must be flexible and dynamic in order to keep pace with their competition overseas. These proposals would put American companies at a distinct disadvantage, preventing them from maintaining an agile workforce and undermining efforts to preserve American jobs or create new ones because of the burden and cost of compliance with these new mandates.

If we're serious about assisting dislocated workers and keeping America competitive, the Education and Labor Committee has a crucial role to play. We should be renewing our one-stop job training system authorized under the Workforce Investment Act. Unfortunately, Democrats have stalled our efforts to strengthen and improve job training, failing to even introduce a bill to extend and enhance WIA.

Republicans are committed to keeping America competitive in the global economy. Later today, I will join with Representative MCCRERY, the senior Republican on the Ways and Means Committee, to offer a comprehensive approach to assist Americans adversely affected by trade.

The increased employer burdens proposed through an expansion of the WARN Act and COBRA are nothing more than a distraction from the real debate we ought to be having. I oppose these costly, arduous provisions because they move in exactly the wrong direction. Instead of fostering competitiveness and job creation, they will breed litigation and stagnation.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, if the President is going to negotiate trade agreements based on the failed NAFTA model, this legislation is the very least that we can do for our workers who lose their jobs because of international trade and globalization.

Mr. Speaker, America faces record high trade deficits and plant closings, and it's our laid-off workers who are the casualties. Strengthening trade adjustment assistance, TAA, isn't the magic pill. It is not the cure-all. It can only be a help by fixing the flawed trade policy. We will do what our workers need, but we owe displaced workers in the meantime, and we owe their communities around the country the chance they need to regain their economic footing with job training, with health care, and they need to know that it's available to them and how to take advantage of these programs.

Mr. Speaker, while the bill will not prevent millions of workers from losing their jobs, it will give them the tools they need and the tools they deserve until they are once again able to compete in the global workforce.

Mr. MCKEON. Mr. Speaker, I yield now to the Subcommittee on Health, Employment, Labor and Pensions ranking member, with jurisdiction over COBRA, the gentleman from Minnesota (Mr. KLINE) for such time as he may consume.

Mr. KLINE of Minnesota. Mr. Speaker, I thank the gentleman for yielding.

I rise in opposition to this legislation, Mr. Speaker. I have been and continue to be a major proponent of trade, but this Trade Adjustment Assistance program that we have today has, seems to me, gone astray. There are a number of reasons why I would urge my colleagues to oppose this bill, from the massive expansion of what was intended to be a targeted Trade Adjustment Assistance program to the dramatic increase in litigation and liability employers will face under the WARN Act provisions contained in this bill.

The gentleman from California mentioned COBRA eligibility in his remarks. I'd like to talk about that for just a minute.

Under the law as it stands today, when a worker loses his or her job, he or she is generally able to elect to continue health care coverage under COBRA for 18, or sometimes as long as 36, months. This balances the legitimate need of the workers to obtain gap or bridge health insurance coverage, while recognizing the administrative needs of employers and, in particular, the need for employers who voluntarily offer health benefits to manage costs and risk.

The bill before us dramatically expands COBRA benefits for certain classes of workers potentially at the expense of others. Under the Rangel substitute, a worker who loses his or her job ''because of trade'' is afforded significantly more COBRA rights than an employee who simply loses his or her job because, for example, his employer closes shop. Indeed, for some of these workers, expansion of COBRA rights can last for decades, plainly not what was intended under the original law.

The bill also includes provisions extending COBRA benefits for PBGC beneficiaries without any regard to the issue of trade. Individuals pay for COBRA, but because of the nature of how this was put together, the provisions are paid for through an increase in the taxpayer-funded health care tax credit, at least through the period of TAA eligibility, again, extending and complicating it in a way that was never intended in the original law.

Just a couple of more things that come under the WARN provision of this. This bill expands the WARN Act coverage to apply to businesses which employ 100 or more employees, including part-time workers. It expands the definitions of plant closures and mass layoffs. It increases the notice requirements so that employers must provide 90 days' notice of an intended plant closure or mass layoff. It expands damages for lost wages and benefits to include double wages, benefits and interest for up to 90 calendar days. It includes new requirements that employers post notice of WARN Act requirements and information on how to file a complaint and provide notice of benefits and services available to employees. It expands enforcement to allow the Secretary of Labor to investigate alleged violations.

Some of these are probably very worthwhile, but clearly, a tremendous expansion and opportunity for almost unlimited litigation, placing a very large burden on employers, and I don't think we want to do that at a time when we're trying to preserve jobs for our employees.

So I oppose this legislation. It reaches too far. It is too complicated. It opens up employers to too much litigation. We can do better than this.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield for the purpose of a unanimous consent request to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding and I rise in support of this important legislation.

Mr. Speaker, I rise in support of H.R. 3920, the Trade Globalization Assistance Trade Act of 2007.

This legislation would overhaul the current Trade Adjustment Assistance, TAA, program to better meet the needs of American workers and communities affected by globalization.

This legislation passed the Ways and Means Committee by the strong bipartisan vote of 26–14 and I hope that we are able to provide a similar bipartisan vote again here today.

After years of trade policies that all too often diminished the importance of our workforce,

today's legislation will rightfully support the working men and women in our country.

Specifically, H.R. 3920 would expand Trade Adjustment Assistance coverage to more workers, including service workers, and substantially improve the program's training opportunities and associated health care benefits.

The bill also creates new benefits and tax incentives for industries and communities that have been hit hard by trade.

Finally, the legislation would promote long-needed reforms to the unemployment insurance system, recognizing that all unemployed workers, not just those who lose their jobs because of trade, deserve our support in getting back on their feet.

I congratulate Chairman RANGEL for bringing forth this important legislation and I urge all of my colleagues to support this important legislation.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend for yielding.

So, Mr. Speaker, you're 6 months away from your 58th birthday, and the place where you have worked for 25 years closes and you have no health insurance. So you dip into your savings and you figure out a way to keep yourself in the plan that you were in by paying for it largely with your own money.

Under present law, when you hit your 59th birthday, if you don't have another job with health insurance, you're out, and you have got 6 years to go until you qualify for Medicare. We are changing that in this bill.

Here's what this bill says. That person I just described, if they can figure out a way to stretch their savings and stretch their dollars until they're 65 years old, can enroll in Medicare and never have a gap where their family is left unprotected, with their own money by and large.

Now, the credits that are generously extended here, we wish we could do more, but this is a program that makes common sense for the person who is too young to retire and too old to start all over again. It's the person who's working with a good job and health care and good benefits, who's now working part-time at a retail store because that's the best he or she can do. What is wrong with that?

This is an opportunity for the Members of this Congress to stand up for forgotten Americans who built this country, raised their families and paid their taxes. This should not be a Republican and Democratic issue.

I urge everyone to vote ''yes'' on this very well-thought-out bill.

Mr. MCKEON. May I inquire of the Speaker what time is left.

The SPEAKER pro tempore. The gentleman from California (Mr. MCKEON) has 2 minutes remaining, and the gentleman from California (Mr. GEORGE MILLER) has 3½ minutes remaining.

Mr. MCKEON. Do you have more speakers?

Mr. GEORGE MILLER of California. Yes.

Mr. MCKEON. Mr. Speaker, I reserve.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. HARE), a member of the committee.

Mr. HARE. Mr. Speaker, I rise today in strong support of H.R. 3920.

In 2004, Maytag Refrigeration Products in Galesburg, Illinois, closed its doors and bolted for Sonora, Mexico, displacing 1,600 workers, all innocent victims of a bad trade policy. I asked my good friend Dave Bevard, a former Maytag employee, to testify before the House Education and Labor Committee about his participation in the TAA program. Dave's testimony revealed a program that was difficult to navigate and plugged with funding shortfalls.

Mr. Speaker, the bill before us today addresses these funding problems and gives trade-impacted workers the resources and tools necessary to successfully compete in the global economy. It provides workers with sufficient notice of mass layoffs, improves the processes by which workers obtain training, and strengthens access to affordable health care.

I'm pleased to see the inclusion of two of my provisions in the bill: one that would require the Department of Labor to inform workers about the availability of counseling and early access to training services, and another to help displaced workers get additional financing aid for training. I'd like to thank Ways and Means Chairman RANGEL and Congressman LEVIN, and my chairman, Mr. MILLER, for their leadership on this issue and for the help their staff provided to include these provisions that will greatly assist dislocated workers.

Mr. Speaker, the current TAA program has not kept pace with globalization, and the bill before us aims to bring the TAA program into the 21st century. I urge my colleagues to vote ''yes'' on this critical legislation.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

□ 1245

Ms. KAPTUR. I thank the gentleman, and thank the esteemed chairman, for bringing this bill forward.

Mr. Speaker, the real answer to growing job loss in the United States, the declining value of our dollar and to rising trade deficits is to balance America's trade accounts by renegotiating failed deals like NAFTA and China PNTR, by not passing any more of them, by opening closed markets like Japan's and China's, and Korea's and by stopping unfair trade practices globally.

Meanwhile, our workers continue to take the big hits by losing their jobs and benefits. What this bill does is it gives them increased notice when their plants are going to close, and it also provides a landing pad in the form of training and trade adjustment assistance. I just wish that the jobs they are being trained for would be produced. We know that often is not the case.

This is the absolute least we can do for the people of our country. They have paid the price of our failure here in Washington to produce economic policies that make America's economy robust.

I fear, without our doing that, we are going to lose the industrial and defense prowess that made the United States the leader post-World War II. I just thank the committee for providing this bill which will help the casualties reposition a bit.

The real answer to growing U.S. job loss, the declining value of the dollar, and rising budget and trade deficits is to balance America's trade accounts by renegotiating failed deals like NAFTA and China PNTR and not pass more of them, by opening closed markets like Japan's, China's, and Korea's, and stopping unfair trade practices globally.

Meanwhile, our workers continue to take the big hits—they lose their jobs, they lose their benefits.

This bill gives them some help—by giving them increased notice before their plants are closed, and it revamps trade assistance and training to help them reposition if the jobs exist in the future.

We owe it to our workers and communities to give them a better chance to adjust. They are the casualties of economic policy here in Washington that is not working. This legislation will require employers to provide 90 days of notice in the event of a proposed plant closing or layoff.

Trigger the notification requirements if at least 25 workers lose their jobs during any 30-day period, not 50 workers as in current legislation;

Mandate notice if 100 or more workers are laid off at multiple plants or worksites during any 30-day period;

Cover both full-time and part-time hourly and salaried workers;

Require the Department of Labor to provide model educational information to employers on employer responsibilities and employee rights under WARN, as well as benefits and services available to dislocated workers;

Authorize the Department of Labor to investigate complaints and bring enforcement suits and also to notify Members of Congress who represent the affected areas;

Permit employees to recover back pay and benefits up to 90 days and also liquidated damages (doubling the compensation otherwise available) if an employer fails to give the required notice under the act; and,

Important to note is the legislation's extension of the period for COBRA (comprehensive benefits, including health care) coverage for recipients of trade adjustment assistance. Under current COBRA rules, workers who lose their jobs generally may continue their health benefits for up to 18 months at their own expense. The new legislation would give workers

who are 55 years or older and have worked for an employer for 10 or more years the option to elect COBRA coverage until they become Medicare eligible at 65 or until they obtain health coverage through a subsequent employer.

While I support this bill, we must keep in mind that TAA and WARN aren't substitutes for jobs in manufacturing America. An America that does not produce not only loses the most vibrant wealth-producing sector of her economy but her defense and industrial base as well.

TAA and WARN should be used sparingly and for the short term—they are band-aids, not solutions. We need to pass legislation requiring the executive branch to balance our trade accounts, to renegotiate NAFTA/PNTR, and to open closed markets of the world.

It is no secret that we are voting on TAA today, to increase votes for the Peru Free Trade Agreement next week. Our willingness to sell out our Nation's workforce for the consolation prize of trade adjustment assistance promises to damage our country for decades to come.

I have 2 bills—H. Res. 336 and H.R. 169, the Balancing Trade Act, which will get our country back on the right track. By supporting H. Res. 336, we support fair, people-centered principles that promote free trade only among free peoples. The Balancing Trade Act, which already enjoys bipartisan support, demands that the President acknowledge a problem in our trade policy when our deficit with any one country exceeds $10 billion for more than 3 years. I also have a bill (H.R. 1958) to revoke PNTR from China, and I will be introducing a bill to require the President to renegotiate NAFTA. These bills are steps towards correcting our U.S. trade policy to prevent the kinds of layoffs and job loss that these bills merely ice over.

[From the Toledo Blade, July 16, 2007]

TIFFIN WORKERS DISCOVER LIMITS OF WARN ACT

(By Steve Eder and James Drew)

TIFFIN.—Four days after Christmas in 2001, Gene Goshe braved the brisk cold as he walked to his newspaper box and unrolled his copy of the Tiffin Advertiser-Tribune.

''National shutting down,'' blared the headline in tall letters across the front page.

In seconds, Mr. Goshe's life changed forever.

After devoting 33 years of his life to the National Machinery Co., Mr. Goshe read in the newspaper that morning that the plant had abruptly closed. He didn't get a phone call to let him know he no longer had a job.

''It was like a snowball hit you in the hind end on the first of January,'' recalled Mr. Goshe, then 58. ''This is the way we are going to start the year.''

The sudden demise of National Machinery stunned Tiffin, a town of 17,000 about 55 miles southeast of Toledo already reeling from plant closings and layoffs.

The plant, a few blocks from the small downtown, made the machines that made nuts and bolts since the 1880s. But while the products of its machines embodied the ordinary, the storied history of National Machinery was far from typical.

''The National''—as locals affectionately called it—provided a choice working environment for generations in and around Seneca County, a flat, fertile part of northwest Ohio dotted with fields and woodlots.

The company's reputation as an exceptional employer was rooted in its traditions—a club for employees who had worked there at least 25 years, summer picnics at Cedar Point, and Christmas parties at the fancy Ritz Theatre.

National Machinery was like family, workers recalled. Not surprisingly, it was begun by Tiffin's first families—the Frosts and Kalnows, whose ownership dates to the 1880s, when patriarch Meshech Frost convinced the company's original owner to move its operations to Tiffin.

The Frosts, and later the Kalnows, are recognized as Tiffin's leading community boosters, using some of their vast fortune to support local causes and institutions, including the city's Heidelberg College, where the families set up scholarship programs to benefit the children of National Machinery employees.

A FRACTURED BOND

The bond between the privately held company and its workers changed forever on Dec. 28, 2001—the date National shut down.

For most of the 549 National Machinery Co. employees, there was no notice the place where many of them had dedicated their working lives was closing.

Paul Aley, National Machinery's president, explained to workers in a letter dated the day the plant closed that banks cut off the company's money because of its financial troubles. Most employees didn't receive Mr. Aley's letter until they had already read about National's demise in the newspaper or heard about it from friends or co-workers.

In 1988, Congress passed a law requiring business owners to give 60-days notice before a plant closing or mass layoff. If National Machinery Co. had followed the Worker Adjustment and Retraining Notification Act, known as the WARN Act, its employees could have begun looking for new work and putting their finances in order instead of dealing with the shock of suddenly losing their jobs.

There were concerns about the well-being of National Machinery Co. leading up to its closure. Citing financial problems, the company announced some layoffs earlier in 2001 and gave most of its workers the holidays off without pay. But the veteran workers expected business would pick back up as it had many times over the years.

This time wasn't like the others.

HOPING FOR BETTER TIMES

In the weeks and months after National Machinery's shutdown, employees looked to their faith for strength.

Twice a week, employees such as Mr. Goshe, a Vietnam veteran and father of four, would gather outside the plant at noon and form a prayer circle with 50 to 75 people. In the cold January and February air, they would pray for each other and for the future of National Machinery Co.

''Everybody would go around and if anybody had something to say, they'd say it, or they would say a prayer,'' Mr. Goshe said. ''If anybody had anything they wanted to get off their chest, they could get it off their chest.''

The workers took pride in their roles in National Machinery's history and held out hope for a return to better times.

''National Machinery had the knowledge in town that they were the best employer in Seneca County,'' said Mark Griffin, a 38-year employee. ''We had some other big employers in Seneca County, but that was the best place to work.

''They took care of their people, they had a fair wage, you worked your overtime, had a great retirement, and they took care of you,'' Mr. Griffin said.

From its Quarter Century Club, which honored employees of 25 years, to its picnics, baseball leagues, and community service, National Machinery was steeped in tradition.

Its owners, the Frosts and Kalnows, who for decades referred to their employees as ''Our people,'' instilled an unapologetic sense of family in and outside the plant.

They provided quality employment, fair wages, and steady jobs, and in return they expected their workers to live up to National Machinery standards to protect the image of the company. Employees in the 1970s and '80s were expected to be clean-cut and trouble-free. They were forbidden from cashing their checks at local watering holes.

Mr. Griffin said National Machinery employees had enough pride in their work to cash their checks at a bank, not at a bar.

In return, Mr. Griffin said, ''If you got into trouble or were a little short, they would always bring the money up ahead of you. They would pick you up and you could pay 'em back later. It was like a family thing.''

A TIFFIN INSTITUTION

National Machinery began four generations of ownership by the Frost and then Kalnow families soon after Meshech Frost convinced Bill Anderson to move the company to Tiffin in 1882.

In Tiffin, there is much folklore about National Machinery and its family ownership.

One tale is that Mr. Frost went to New York City to get a loan from financier ''Diamond'' Jim Brady to help purchase the company.

After his death in 1922, Mr. Frost left the company to his son, Earl Frost, who ran it into the 1950s. Earl Frost's daughter, Jane Frost, who was the heiress to the family fortune, married Carl Kalnow, a banker, and together they owned National Machinery Co.

National Machinery employees still fondly recall the story behind the Frost-Kalnow engagement.

''From what I know, Mr. Kalnow came to town and he got off the train and asked who the richest man in town was and if he had a daughter,'' Mr. Griffin said. ''It was Miss Frost and he ended up marrying her.''

The Kalnows had four children—Carl, Andrew, Gertrude, and Loretta—who inherited National Machinery after their mother's death in 1986.

In 1998, the Kalnow siblings—who were raised in Tiffin but had moved away—sold the company for $98 million to Citicorp Venture Capital, a New York-based firm that buys and sells companies as investments.

Within three years, National Machinery rapidly declined from a thriving company to an abruptly shuttered one.

A DIFFERENT COMPANY

After National Machinery closed, the Kalnow siblings—who had kept a seat on the company's board of directors and a 15 percent stake in the business as part of the sale—became the workers' best hope for rescuing the company.

In the weeks after the company closed its doors, the Kalnows, led by Andrew Kalnow, founder of Chicago-based Alpha Capital Partners, a private equity investment firm, began negotiating to buy National Machinery's debt from a consortium of banks holding tens of millions of dollars in notes—the debt taken on to buy the company from him and his family.

In February, 2002, the Kalnows repurchased National Machinery for $16 million, just a fraction of what they had sold it for just three years earlier.

In Tiffin, many employees believed their prayers were answered.

But they soon learned that National Machinery, under its new ownership, would be a far different company than the one they had devoted 20, 30, or even 40 years of their lives.

In a complex business transaction, the Kalnows established National Machinery LLC, or limited liability company, which they used to essentially purchase the property and assets of the former National Machinery Co.

The sale was completed in such a way that the new company would inherit the old company's headquarters in Tiffin, its factory, its machinery, and its customers. But it would have no responsibility to pay the debts of the old company. Those debts included millions of dollars owed to suppliers and $1.5 million more owed to area doctors and health-care facilities for medical services provided to former employees before the plant closed.

Officials of the new company eventually agreed to pay an undisclosed amount toward the $1.5 million in medical bills owed by former plant workers. But the new company said it had no legal obligation to the employees of the ''old company,'' who were left behind when the plant closed in December, 2001.

A spokesman for National Machinery LLC last week said WARN Act issues were handled by the former plant owner and their lawyers.

''Like many other companies today facing the challenge of being successful in a highly competitive world market, National Machinery LLC is leaner and less vertically integrated,'' said John Bolte, senior vice president of operations and human resources. ''Many processes and therefore jobs from the past simply do not exist in our company in order to make us more competitive.''

Attempts by The Blade to interview Andrew Kalnow and his siblings were unsuccessful.

In an e-mail from Mr. Kalnow last month, he told The Blade: ''It seems like you have a politics agenda in mind that has nothing to do with our business and contribution to the community.''

A SENSE OF BETRAYAL

The Kalnows' ''new company''—National Machinery LLC—in the spring of 2002 hired nearly 240 full-time employees after it reopened the plant, many of whom worked for the ''old company.''

But many of National Machinery Co.'s 549 employees, including some of its longest-tenured workers, such as Joe Poignon, never received the call to come back.

''They started it back up, but they excluded us,'' said Mr. Poignon, a 40-year employee who worked in the company's aftermarket section. ''There was people who weren't retired out there who had more than 25 years of service and they were not called back.''

Some grew bitter, angry, and depressed as they waited and waited for the call from National Machinery that never came.

''It's the way they treated us,'' said Mr. Poignon, who tries to avoid Greenfield Street in Tiffin, where National Machinery is located. ''Not calling us in to inform us of anything, and not being up front and square with us, and being ostracized after they reopened the plant. None of us deserve that. After we have given our lives to it, our good working years are gone. We can't go out and restart. We gave them all our good working years.''

He added, ''You feel like you've been betrayed.''

DEPRESSION AND ANGER

Several former National Machinery employees fell into depression as they tried to live without the work they had been doing for most of their lives.

Others were angry.

Paul Martorana, a 27-year employee of National Machinery, returned to the company's offices to settle his pension after the new company had taken over. But before he left, he had a request of Anne Martin, the company's secretary.

''Would you do me one favor?'' Mr. Martorana recalled asking. ''Take my picture off the wall. I don't want anyone to know I was ever associated with this company.''

Mr. Martorana wanted his picture taken off the walls of National Machinery Co.'s Quarter Century Club. The club, which had more than 735 members since it was established in 1936, honored the company's most loyal employees.

Many members of that devoted club were among those who were unexpectedly thrown from their jobs, instantly losing health-care coverage, paychecks, accrued vacation time, and the stability of employment.

''A lot of people got hurt, financially and mentally,'' Mr. Martorana said.

''We didn't know what to do,'' Mr. Poignon said. ''There were people who were scheduled for surgery. They didn't know what to do. They didn't have insurance. Some of them had cancer.''

PICKING UP THE PIECES

It was difficult, if not impossible, for some former employees to find reliable work after decades with National Machinery. The employees had no time to plan, find new jobs, or train for new careers.

Out of necessity, some took whatever they could find, accepting steep pay cuts and losing benefits.

''It's basically turned our lives upside down,'' said Sharon Goshe, who has been married to Gene Goshe for 34 years.

Mr. Goshe said he held out hope for about three months after the plant closed, hoping that he would get a call to return to work. The call never came.

''Once they opened back up and [I'd] seen the ones they were hiring back, I was too old,'' Mr. Goshe said.

He began applying for nearly ''any job that was in the paper,'' but he didn't have any success and began to suffer from depression.

''The unemployment was running out, and we got the same old stories,'' he said. ''You go out and you look for a job and you get your hopes up, and you hear nothing.''

Ten months after National closed, Mr. Goshe took a job for $10 an hour with no benefits at a local lumber yard, a $4 an hour wage cut.

Many employees of National Machinery skipped their paid vacations over the years, believing they had accrued months of paid time off that could be used in the future. When the old company shuttered, employees were not reimbursed for the time.

The workers said they were also owed thousands of dollars in lost wages and unpaid medical bills. But when they went to the plant office and tried to collect from National Machinery LLC, they heard a familiar refrain: ''Sue the old company.''

But the ''old company'' no longer existed.

TAKING LEGAL ACTION

On Sept. 11, 2002, three former workers of National Machinery Co.—Chad and Donald Baker and Paul Martorana—filed a class-action lawsuit in federal court in Toledo on behalf of all the workers who lost their jobs.

They sued National Machinery Co., Citicorp Venture Capital, and two related entities claiming the WARN Act was violated when the plant closed without a 60-day notice. They asked for lost wages, vacation pay, and medical expenses they said they were owed, totaling at least $4,000 per worker.

They received a quick education into the limitations and loopholes of the federal law.

But the biggest obstacle they faced was the wall of legal agreements, contracts, and documents set up by a squad of lawyers to make sure that National Machinery LLC was not responsible for the debts and actions of National Machinery Co.

Attorneys for Citicorp Venture Capital argued that their client wasn't the liable employer under the law because even though Citicorp was the majority owner of the ''old company,'' it didn't make business decisions on behalf of National Machinery.

Because the ''old company'' was now a mere shell, its former employees fell into one of the most prominent pitfalls of the WARN Act—finding someone who could pay the workers what they were owed.

Nearly three years after the company closed, attorneys for the employees and Citicorp Venture Capital agreed to a settlement that would pay $375 per worker before taxes—just pennies on the dollar of what most employees felt they were owed. National Machinery LLC, as a completely new entity, had no obligation to the workers and was not involved in the settlement.

AN ''INSULT''

Calling the settlement an ''insult'' and frustrated with the law, 74 former National Machinery employees wrote the judge to object to the settlement.

''There were a lot of very good employees that were completely devastated when all this happened and some satisfaction needs to be given to all of us,'' Virginia Coffman wrote. Mrs. Coffman, along with her husband, John Coffman, worked for National Machinery Co. for more than 28 years. ''This type of treatment cannot be allowed to go unnoticed and just slide by, it has hurt many responsible people who are still trying to recover.''

In a handwritten note, Steven Webster, a former National Machinery employee from Upper Sandusky, Ohio, explained that the company's sudden closing triggered a financial tailspin that caused him to fall behind on child-support payments. Mr. Webster explained that he needed to withdraw from his 401K plan twice to keep banks from foreclosing on his home.

''For the six months I was without a job. I had my water, electric, and gas shut off and had to live with my mother for a while until I got a job because I couldn't afford food or anything,'' Mr. Webster wrote.

Many of the workers sent copies of their letters to their representatives in Congress and the Statehouse, including U.S. Rep. Paul Gillmor (R., Tiffin), U.S. Sens. George Voinovich and Mike DeWine, then-Gov. Bob Taft, and state Rep. Jeff Wagner (R., Sycamore).

None of them was willing to fight for their constituents, at least on the WARN Act.

On Nov. 15, 2004. a group of former National Machinery Co. employees went to federal court in Toledo to object in person to the proposed settlement.

On their day in court, U.S. District Judge James Carr empathized with the plight of the workers, inviting them to sit in the jury box and address the court. But the judge all but told the workers that his judicial powers were limited by a law with no teeth.

In the end, Judge Carr reluctantly approved the settlement, declaring it a ''pittance'' and telling angry workers it was the best settlement they could hope for under the weak federal law.

''Most simply put, and most unhappily, you're out of luck,'' Judge Carr told the workers. ''That statute has proven to be no protection to you.''

LINGERING BITTERNESS

In Tiffin, more than five years after the ''old company'' suddenly was closed on a cold December day, time has healed some of the wounds. But there still remains an undercurrent of regret and bitterness.

Today there's a sign outside the headquarters of National Machinery LLC that proudly proclaims it as a 130-year-old company.

The former employees never called back by the ''new company'' say the sign epitomizes the hypocrisy of what transpired at National Machinery.

''What I've heard is they think they've done great—'they've saved the company,''' Mr. Poignon said. ''You don't want to think that the place you've worked your entire life has done something terrible. They didn't fulfill their promises to a lot of people who gave their whole lives to the company.''

The laid-off workers have struggled to come to terms with the fact that National Machinery LLC—which conducts its business from the old headquarters of National Machinery Co. in Tiffin, builds the same machines, and serves the same set of clients—wasn't legally required to pay their lost wages and benefits.

Some recognize that Andrew Kalnow may have saved National Machinery, but they question why the rescue couldn't have been performed more humanely, taking into account the loyalty of many of the company's longtime employees.

They believe Meshech Frost and Jane Frost Kalnow would be disappointed.

''It's all about putting money in your pocket,'' Mr. Poignon said. ''Maybe morality has changed. Maybe young people think this is OK. But in our day, this wasn't a moral thing to do. If you look at the business side of it, it looks pretty good.

''But if you look at the human side of it, there's been a lot of damage.''

[From the Toledo Blade, Oct. 11, 2007]

HOUSE CHAIRMAN OFFERS A TOUGHER WARN ACT

(By Steve Eder)

The powerful chairman of the House Education and Labor Committee yesterday submitted his proposal to better assure workers are given notice before they lose their jobs in mass layoffs or business shutdowns.

U.S. Rep. George Miller (D., Calif.) became the second member of the U.S. House to introduce legislation to reform the Worker Adjustment and Retraining Notification Act, known as the WARN Act, a 19-year-old federal law that requires many employers to provide 60 days' notice before layoffs.

Mr. Miller's bill was co-sponsored by U.S. Rep. Marcy Kaptur (D., Toledo).

''These are really extraordinary improvements over existing legislation,'' Miss Kaptur said during an interview yesterday. ''There are more teeth in this [bill] to treat the workers with more respect.''

After a Blade investigation in July highlighted the WARN Act and its shortcomings, a host of key politicians in Washington have addressed the need to reform the law. Among those who have responded are Democratic U.S. Sens. Sherrod Brown of Ohio, Hillary Clinton of New York, Edward Kennedy of Massachusetts, John Kerry of Massachusetts, Barack Obama of Illinois, former Sen. John Edwards of North Carolina, and U.S. Rep. John McHugh, a Republican from New York.

The Blade's four-part investigation showed that the WARN Act is so full of loopholes and flaws that employers repeatedly skirt it with little or no penalty.

The series showed that in crafting the WARN Act, Congress didn't charge the Department of Labor with enforcing the law. Instead, displaced workers must take their former employers to court to uphold their rights under the law.

An analysis of 226 WARN Act lawsuits filed by employees showed that judges threw out more than half, citing loopholes in the law.

''Everyone on the [House Education and Labor] committee is familiar with the Blade's excellent work on this.'' Miss Kaptur said yesterday. ''The Blade has really done the country a favor in helping to highlight the importance of this legislation and to draw national attention to it.''

Mr. Miller's bill—called The Early Warning and Health Care for Workers Affected by Globalization Act—would overhaul the existing WARN Act by increasing the notice period from 60 to 90 days, making the law apply to more employers, increasing financial penalties for violators, and empowering the Department of Labor to bring lawsuits on behalf of employees.

In addition, it covers part-time employees and groups of 100 or more workers laid off by one employer at multiple job sites.

The legislation also extends COBRA health coverage for recipients of trade adjustment assistance, allowing workers who are 55 or older or employees with more than 10 years of service to an employer to use COBRA coverage until they are eligible for Medicare.

Miss Kaptur said Mr. Miller's new proposal has support from the ''highest levels'' of Congress, including House Speaker Nancy Pelosi (D., Calif.).

''There is a significant amount of momentum that has built for this measure,'' Miss Kaptur said.

Ms. Pelosi, in a statement yesterday, said: ''For too long, the Bush Administration has ignored the needs of workers who are left unemployed through no fault of their own. Chairman Miller and Congresswoman Kaptur have been relentless champions for the cause of working men and women, and the new legislation incorporates those concerns.''

Alex Conant, a White House spokesman, had no immediate comment last night on Mr. Miller's WARN Act proposal, but defended the President's record on helping workers.

''The President has aggressively fought for and delivered tax relief for all taxpayers resulting in economic growth and job creation,'' he said. ''The best thing Congress can do to help workers and those seeking work is to keep taxes low to grow our economy and create new jobs.''

Mr. Miller's bill shares some characteristics with a bill introduced in the U.S. Senate by Mr. Brown and a bill in the U.S. House by Mr. McHugh.

Mr. Brown's bill is co-sponsored by Ms. Clinton and Mr. Obama, who are vying for the Democratic nomination for president.

The proposals introduced by Mr. Brown and Mr. Hugh, both called the FOREWARN Act, would lengthen the notification period required before a plant closing or mass layoff, increase penalties for violators, require more companies to provide notice before layoffs, and allow the Department of Labor and state attorneys general to represent workers in lawsuits.

Julie Hurwitz, the former executive director of the Sugar Law Center, a Detroit-based nonprofit legal center which advocates for workers in WARN Act cases, said she is ''heartened'' by the congressional efforts to reform the law.

''These are all sorely needed revisions that have to be made, particularly given the history of those loopholes that have existed in the original statute giving employers all kinds of wiggle room to essentially set their own agendas and still not be held accountable under the original version of the WARN Act,'' Ms. Hurwitz said.

Still, Ms. Hurwitz wants lawmakers to go a step further and address increasingly common tactics used by employers to evade their WARN Act duties.

''I would love to see somebody grapple with the use of releases or waivers that are now quite frequently used by employers to get out from any WARN Act liability or responsibility,'' Ms. Hurwitz said.

Mr. MCKEON. Mr. Speaker, we know that there have been job losses due to trade, there have been job losses due to technology improvements. There are other different reasons why jobs are lost, and we all feel the pain of those who have lost their jobs.

Having said that, the answer is not increased bureaucracy and increased problems that employers have to deal with in providing jobs and in coming up with new technology to create new jobs. The answer would be to streamline, to cut back the bureaucracy, yes, to give temporary help to workers that have been displaced, to give them the opportunity to get additional job training so that they can prepare for other occupations, and then to try to spread that pain across the country instead of just having it targeted on those specific plans.

We will offer later an amendment to this bill, a substitute, that will do just that. In the meantime, I encourage all of my colleagues to vote against additional bureaucracy and to vote against expanded government intrusion into the marketplace that causes these disruptions.

Mr. Speaker, I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman has 1 minute left.

Mr. GEORGE MILLER of California. I would urge my colleagues to support this legislation.

We could leave this to the marketplace, and you could throw your workers out on the street with no notice, no health care, no training, and that's it, and just tell them, welcome to the globalized world.

We thought we would try a different tack. We thought we would give workers notice where it is practical for employers to do so so the worker would have time to deal with the implications of a lost job on their family, to

try to save their home, to try to save their kids' education, try to save the automobile, figure out how to get another job or how to get to retirement.

We also know that many workers that are released don't have health care coverage or can't get it in the marketplace. So we extended COBRA. We made that decision many years ago. Forty million people have used that to get them to another health care plan or to hold on to their coverage as long as they possibly could. We said for older workers, you can take it to Medicare. If you are over 55 years old and you have worked there 10 years, you can use COBRA. You pay all the premiums, you pay the administrative cost, but at least you have coverage. For some people, that's absolutely vital, because once they lose coverage, they can't get it again because they can't afford it or because they have preexisting conditions and they won't write that policy for those individuals.

This is just about whether or not we are going to treat Americans with some sense of decency who work all year long, provide for their families, work hard, play by the rules or whether they are just going to have to crash to the street and lose their income, their houses, their cars, their kids' education. That's the choice we get today.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. That portion of time has expired.

The gentleman from Louisiana has 13 minutes left, and the gentleman from Michigan has 16 minutes left.

GENERAL LEAVE

Mr. LEVIN. First, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3920.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield myself 4 minutes.

I would like today to talk about the facts, and next week we will talk about the facts on trade legislation. I think the approval of the U.S.-Peru FTA that came out unanimously from Ways and Means is the antithesis of CAFTA. Let me talk about the facts on TAA, which relates to those who are dislocated.

We received a letter dated October 23, 2007, from the Secretary of Labor, and she said it is important, and I quote, ''that the negative impacts that are borne by a few are offset in the form of assistance to persons and firms that may be adversely affected.''

I just want to say the facts are very different. It isn't a few. Trade isn't the only source of dislocation, but it is one of those and a substantial source. It's not a few. It's hundreds of thousands of people. We have lost 3 million manufacturing jobs in this country in recent years.

The President, or at least the administration, has sent a letter indicating their strong opposition, and I want to go over the facts quickly. It says, and I quote, that this legislation converts TAA from a trade-related program to a universal income support and training program. That is simply not true, and I will come back to that when I talk about services.

Number two, it says the increased duration of income support under this bill would result in some workers remaining out of the workforce and on assistance for 3 full years. That's really not accurate because the first 26 weeks are usually taken up by unemployment compensation when people are not using TAA directly. And then there are 2 years. In order to receive income support, they have to be in a training program. Now, there is a provision for an additional 6 months, but it applies to a relatively few people. So these facts don't support the strong opposition of the administration.

I am still hoping for bipartisan support. We did accept, voted for three amendments from the minority side in the Ways and Means Committee. We had three votes from the minority side, and I hope for very, very many more here on the House floor.

Next, the administration statement talks about industry-wide eligibility determinations and says that it would include workers not demonstrably affected by trade. It's the Department of Labor that has the ability to determine this, and so that sweeping statement is simply not true. As to the service sector, the administration letter says the bill does not clearly articulate any separation of such workers from their employment, must be attributable to trade. I just ask they read the language in the bill because it talks about articles or services like or directly competitive with articles that are produced or services that are provided by such firm that relate to overseas competition.

Lastly, I want to say a word about health care. Look, we increased it from 65 to 85 percent because 65 percent doesn't work. Only 10 percent of those eligible for TAA now receive health care. We have an obligation in this institution for people who are laid off, who are dislocated, to receive health care for themselves and their family, and 65 to 70 percent isn't going to work. We know it. We know it.

Mr. MCCRERY. Mr. Speaker, before yielding to the gentleman from North Carolina, I was moved by Mr. MILLER's presentation a few minutes ago and would tell the Speaker, if he gets a chance, to tell the gentleman that if they would look at some of the provisions we have in our bill, it would make it, in fact, easier for all those people he is concerned about to get the training and the retraining under TAA, that those changes are not included in H.R. 3920 or in the bill that came out of Education and the Workforce.

With that, I would yield 2 minutes to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I rise in support of H.R. 3920, the Trade and Globalization Assistance Act of 2007. Textile workers in my district in North Carolina have been disproportionately affected by trade and have suffered a number of closings.

I appreciate what Mr. MCCRERY is doing. I wish also that these two bills could have been better combined to take care of the advantages of both.

As many of you know, I have introduced the Trade Adjustment Assistance Reform Act, H.R. 1729, which seeks to expand the current TAA program to give greater resources to displaced workers.

Earlier in the year, I asked Chairman RANGEL to include the provisions in my bill in the comprehensive TAA reauthorization bill. I was pleased to see that many of these provisions made it into the legislation.

Specifically, this bill expands TAA eligibility to include dislocated workers affected by a shift in production in which workers' jobs are moved to nations that have no preferential trade agreement with the U.S., including, particularly, China and others.

It provides a strong increase in the health coverage tax credit. H.R. 3920 increases that credit from 65 to 85 percent. It increases TAA funding authorization from $220 million to $440 million.

I was disappointed to see that H.R. 3920 did not include a key provision to provide automatic eligibility for dislocated textile and apparel workers. However, I was pleased to see that it does include a provision that allows for industry-wide certifications. This bill requires the Secretary of Labor to conduct industry-wide certifications when three petitions from firms in the same industry, such as the textile industry, are certified within a 6-month period. This doesn't provide automatic eligibility for dislocated textile workers, but it is a step in the right direction.

Since I have been in Congress, I have pledged that our office would do all it could to assist displaced workers from the Eighth District in the State of North Carolina. I am pleased that many provisions of the reform act were included in the bill.

Mr. Speaker, I rise in support of H.R. 3920, the Trade and Globalization Assistance Act of 2007.

The Trade Adjustment Assistance program is a good program. I have worked hard to expand this program and make it better in the past, but we must make additional changes to help our manufacturing workers in this increasingly competitive global marketplace. While it is good that these workers are going

to get extended unemployment benefits and insured health care, we all know that an unemployment check is no substitute for a paycheck. But when workers are displaced, we want to give them the skills to successfully reenter the workforce.

As many of you know, I have introduced the Trade Adjustment Assistance Reform Act, H.R. 1729, which seeks to expand the current TAA program to give greater resources to displaced workers. Early in the year, I asked Chairman RANGEL to include the provisions in my bill into the comprehensive TAA reauthorization bill. I was pleased to see that many of these provisions made it into this legislation.

Specifically, this bill:

Expands TAA eligibility to include dislocated workers affected by a shift in productions in which the workers' jobs are moved to nations that have no preferential trade agreement with the U.S., including China and others.

Provides a strong increase in the Health Coverage Tax Credit, HCTC. H.R. 3920 increases the tax credit from 65 percent to 85 percent.

Increases TAA funding authorization from $220 million to $440 million.

I was disappointed to see that H.R. 3920 did not include a key provision to provide automatic eligibility for dislocated textile and apparel workers; however, I was pleased to see that it does include a provision that allows for industry-wide certifications. This bill requires the Secretary of Labor to conduct industry wide certifications when three petitions from firms in the same industry, such as the textile industry, are certified within a 6-month period. This doesn't provide automatic eligibility for dislocated textile workers, but it is a step in the right direction.

Mr. Speaker, I have enjoyed working with my good friend and colleague Congressman MIKE MCINTYRE on this bill and North Carolina's Rural Center. The Rural Center is a nonprofit that seeks to promote economic development throughout North Carolina's rural areas, and the Center has been a tremendous advocate for helping dislocated workers throughout the state. This bill resembles many of the recommendations that were published in the Rural Center's report, ''Gaining a Foothold—An Action Agenda to Aid North Carolina's Dislocated Workers.''

Since I have been in Congress, I have pledged that our office would do all it could to assist displaced workers from the 8th District and the State of North Carolina. I am extremely pleased that many of the provisions of the Trade Adjustment Assistance Reform Act were included in this bill to make it possible for these workers to receive expanded assistance and job training to help them to make a successful change in their career.

I look forward to continuing to work with my colleagues as we debate and develop legislation that seeks to help our Nation's workforce adapt for new careers and opportunities.

Mr. LEVIN. It is my pleasure to yield 2 minutes to a colleague of mine and a member of the Ways and Means Committee, Mr. MCDERMOTT from Washington.

Mr. MCDERMOTT. Mr. Speaker, what makes America work is America's workers.

Today, America is going to work harder to protect its workers. We currently have a program that was put together in the middle of the night in 2002 in the midst of the fast track legislation, and it was never intended to work.

This bill provides protection for almost double the number of workers covered by that program. This measure before us also improves a more basic protection for all jobless workers, unemployment insurance. Only one-third of America's unemployed now receive unemployment benefits, and coverage rates for low-wage and part-time workers are considerably lower.

This bill provides up to $7 billion to States implementing specific policies designed to eliminate unnecessary barriers. We ask States to count a worker's most recent wages when determining their eligibility. We ask States to end discrimination against part-time workers. And we ask them not to disqualify workers who must leave work for compelling family reasons like domestic violence or taking care of a sick child or following a spouse whose job has moved.

These are State options. We are not requiring them to do anything. If they don't want it, they don't have to have the money. But we are giving them the opportunity to take care of their unemployed workers. The improvements promise to provide unemployment benefits to over half a million jobless workers if adopted in every State. Women particularly stand to gain from this bill because they are more likely to work in part-time or low-wage jobs and are more likely to leave for family reasons. The cost of supporting these reforms is fully offset by extending an unemployment tax that has been on the books for 30 years, and that President Bush is specifically asking us to continue. Any talk about increasing taxes is simply empty rhetoric from the other side. They know it, because the last time it was extended, they did it on their watch.

Mr. Speaker, a vote in favor of this bill should be the easiest vote that every Member of Congress takes this year.

Mr. MCCRERY. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HERGER), the ranking member of the Trade Subcommittee of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, losing a job is one of the most disruptive events that can occur to a worker and a family.

We should be helping these individuals to get back to work as soon as possible. That's why I support the trade adjustment assistance and why I introduced a short-term extension of the program to assist workers displaced by trade through December.

□ 1300

Unfortunately, I cannot support today's bill. In addition to expanding the TAA program, which already costs the American taxpayers nearly $1 billion each year, the majority shuts out numerous Republican suggestions that would have instilled accountability and increased flexibility for workers. One provision of their bill eliminates a State's ability to choose the best employees to administer TAA by requiring so-called State merit-based employees to run the program. This means that the 25 States that currently use local employees or outside contractors like nonprofit or community-based groups to operate a more efficient and effective TAA program will no longer be able to do so and will be required to hire more government workers.

I'm also amazed that the majority rejected our proposal to increase accountability by requiring States and organizations that receive TAA to meet performance measures. It should be the goal of all Members to see that taxpayers' dollars are spent wisely, and the lack of such measures is a fundamental shortcoming of the bill. This provision is included in the Republican substitute that we will offer later today.

Far from forcing workers into just any old job, Republicans have worked to find constructive ways to increase TAA program flexibility so workers could have more options to train for a new job and have greater access to employment services. But, again, these suggestions were rejected by the majority.

We all want to help unemployed workers to get back on their feet quickly. But TAA improvement, and especially an expansion of this magnitude, should have been considered in the context of expanding trade opportunities for all Americans through our pending free trade agreements, including Colombia, Panama and South Korea, and reauthorization of the trade promotion authority. Regrettably, we have no commitments from the majority on these important measures, despite months of work.

I urge my colleagues to reject H.R. 3920.

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 2 minutes to our very, very distinguished colleague from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague for yielding.

Mr. Speaker, I rise in strong support of H.R. 3920, the Trade and Globalization Assistance Act of 2007.

Under this administration, we have adopted a record 8 free trade agreements. In trade and globalization, there are winners and there are losers.

Mr. Speaker, increasing the funding and efficiency of the trade assistance program is the very least we can do as a Congress.

In my home State of Georgia, we have used more than 125 percent of our

allotment. Why? Because agriculture and textile jobs are disappearing. They're leaving the State of Georgia.

These families are struggling just to make ends meet. They want to work. They need to work. How can we oppose, how can we be against investing in our greatest asset, the American workforce?

We can spend hundreds, thousands, millions and billions of dollars on war. Can we spend just a few dollars on the workers of America?

To oppose this bill is heartless, it makes no sense, and it is irresponsible.

So I urge all of my colleagues to vote ''yes'' for this important bill.

MODIFICATION TO AMENDMENT NO. 1 OFFERED BY MR. MCCRERY

Mr. MCCRERY. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 3920, pursuant to House Resolution 781, the amendment printed in part B of House Report 110–417 be modified by the form I've placed at the desk.

The SPEAKER pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 1 offered by Mr. MCCRERY:

In the matter proposed to be inserted, strike section 307(c).

The SPEAKER pro tempore. Without objection, the amendment is modified.

There was no objection.

Mr. MCCRERY. Mr. Speaker, may I inquire as to the remaining time for each side.

The SPEAKER pro tempore. The gentleman from Louisiana has 7½ minutes and the gentleman from Michigan has 8½ minutes.

Mr. MCCRERY. Mr. Speaker, at this time I would yield to the gentleman from Michigan (Mr. CAMP) for a unanimous consent request.

Mr. CAMP of Michigan. Mr. Speaker, the Trade Adjustment Assistance, TAA, program continues to be an important program to American workers who are left out of a job because of increased imports or jobs moving overseas. When workers need assistance getting back on their feet, the TAA program is there to help them get a new job or new career. It is important for Congress to reauthorize this critical program that right now is helping 15,000 workers in Michigan.

I support the Trade and Globalization Assistance Act. This bill provides more funds for training programs, increases the size of the health care tax credit, and assists workers who are in training programs with additional income support. I wish, however, that Chairman RANGEL would have made the health care tax credit permanent instead of eliminating it after 2 years. That being said, I believe it is important that the bill raises the amount of health insurance assistance from 65 percent to 85 percent. Now, out of work individuals will be better able to afford health insurance while they look for a new job.

In my district, where unemployment rates are higher than the national figures, the TAA program has been an invaluable tool in getting people into the classroom and into new, better paying jobs. The community colleges in my district have done a good job of expanding their curriculum to include new courses tailored to high-paying, expanding industries in Michigan. I remain committed to doing whatever it takes to maximize the Federal assistance available to help these workers and their families. In so doing, I will vote for the bill before us this afternoon.

Mr. MCCRERY. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, now I yield 2 minutes to another distinguished member of this Ways and Means Committee, Mr. NEAL from Massachusetts.

Mr. NEAL of Massachusetts. Mr. Speaker, I want to acknowledge Mr. LEVIN's role, in not only the construction of this legislation, but the role that he's played, I think, in trade issues.

I rise in support of the Trade and Global Assistance Act of 2007. Otherwise known as TAA, this program has been successful in transitioning workers who have been displaced by foreign trade into new jobs. Many workers and businesses in my home district in Massachusetts have already been beneficiaries of assistance provided by TAA.

The bill we're considering today will provide extended and expanded benefits and do so for more workers. It will also expand the critical health care coverage that these displaced workers and their families need.

The bill doubles the current funding amount for retraining of workers for new jobs. But what might be the most exciting new feature in this proposal is the manufacturing and redevelopment zones which are very similar to the popular enterprise and empowerment zones that many American cities have had great success with. These new manufacturing zones will provide businesses with a host of incentives to redevelop in areas that have suffered substantial reductions in manufacturing employment.

TAA extension and expansion should go hand in hand with more free trade agreements. As one who is a supporter of the Peru Free Trade Agreement, which the committee of Ways and Means has just approved, TAA is the safety net we need to enact in a case-by-case opportunity to give benefits to workers and industries who have been displaced or disrupted because of these agreements. Of course, it is our hope and intent that all free trade agreements lift all economies and industries of both participating countries. But if businesses are impacted and workers are impacted, we must have TAA to retrain that workforce for the jobs of the future.

I urge full adoption of this legislation.

Mr. MCCRERY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the Ways and Means Committee.

Mr. BRADY of Texas. Mr. Speaker, there's no question, we need to do a better job of helping people who are laid off from their jobs. Even though only 3 percent of this country's jobs are affected by trade, if it's your job, it's an important one.

But when workers try to get help, what they find is this program is bureaucratic and inefficient and slow to respond. There's a big mismatch between the skills our workers have and the ready jobs that are available for them. But TAA does not do a good job of matching those skills and those workers. And I think there's been a good-faith effort to try to make this a better program, but, in my view, the underlying bill makes it a bigger program, not necessarily a better one.

TAA is a leaky bucket, and I think we're making the bucket bigger and we're pouring more money into it. I don't think we're fixing the holes that really harm workers.

For example, in the bill today we actually enhance duplication of efforts rather than streamline it. This bill prohibits a worker who's laid off for trade reasons to going to the local job training center to get help. In fact, what we require is a new State-run program that has no track record, has no proven success, and we relegate them to really a second tier training system.

In Houston we have WorkSource. It's at 35 different sites around our region. It helps about 340,000 workers laid off, has put 53,000 back to work at higher than average salaries. It's a great proven product.

Under this bill, a worker can't even go down the street to take advantage of those computers and that networking and that work with businesses, but we set up a less efficient one, unproven for them. It doesn't make sense.

I object to the pay-for as well. We are actually making U.S. companies less competitive as they sell overseas. As you know, today it's not enough to buy American; you have to sell American. We want to sell John Deere tractors and Apple computers around the world, and this bill, unfortunately, actually punishes those companies and hurts the workers for them.

The Republican substitute is more flexible. It's less bureaucratic, and provides some commonsense training programs that will actually get workers back to work at a job they can raise their family on, which is what I think there is bipartisan support for.

Mr. LEVIN. Mr. Speaker, I yield 1½ minutes to another distinguished member of the Ways and Means Committee, Mr. BECERRA from California.

Mr. BECERRA. Ladies and gentlemen, we would not send our troops into battle without the best training, armor or weapons. And in that same vein, in today's hypercompetitive global economy, we must know that our workers

are the best trained, equipped with the best tools to challenge and excel in the face of that competition.

You name the time or the place, in a fair fight, give me an American worker at my side, and I know I'll come out okay.

But the tragedy here is that, just as we have learned that too many of our troops deployed to Iraq without sufficient body armor or vehicle protection and too many Iraq soldiers have come home to face deplorable or indifferent health care treatment as veterans, for years, too many Americans, as workers, have faced bureaucratic indifference and roadblocks in securing training and adjustment assistance after losing a job due to expanded trade. Today, we plan to change that.

H.R. 3920 doubles job training opportunities so no American worker will face getting in that line and finding out that when he or she gets up there the money's run out for training.

This bill also includes service employees and public employees in the protection, which we haven't had before. If you're a truck driver who loses a job because your company, that other company tells you, well, we no longer need your trucking services because that company's now moving to another country, you've lost your job because of trade, and you should be included as well. We make sure that that employer who has to begrudgingly tell that employee ''I have to let you go,'' that that employer can make sure that if it's a main customer that went abroad, you will be protected as an employee.

Mr. Speaker, this is a time for us to stand up for American workers. It's not their fault. They should be covered, just as our troops should be covered.

Mr. MCCRERY. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, clearly, anyone who loses their job in America due to factors beyond their control deserve help. That's why we have the unemployment insurance program in the first place.

TAA, obviously, goes beyond that and says, if you lose your job because of foreign trade, then you're going to get extra benefits.

I would be even more enthusiastic about the program if I thought there was any agenda to promote trade by the Democrat majority. I see none. They have allowed the fast track to elapse. I have yet to see any trade agreement come to this floor. And I can say in Texas, the State that I hail from, 1 out of 7 jobs is tied to trade. Trade is important. But I see no pro trade agenda here. What I do see is a massive expansion of another government program with a massive tax increase to go along with it.

Now, we know that roughly 3 percent of Americans will have their jobs displaced by trade. We know that trade will create far more jobs.

But again, I might be more enthusiastic about this legislation if I saw the Democrat majority step up to do something about those who lose their jobs due to frivolous litigation. And yet they've excelled at preventing any kind of tort reform in this economy whatsoever.

I might be more enthusiastic about this package if I saw the Democrat majority do anything to address those who lose their jobs due to excess taxation, particularly on small businesses, the job engine of America.

□ 1315

And yet we know that the distinguished chairman of the Ways and Means Committee just announced ''the mother of all tax hikes.'' Millions and millions of small businessmen all across America could see their taxes increase 25 percent. How many Americans are going to lose their job? Where's the sympathy for those people? Where is their particular special carveout in the unemployment insurance program? I don't see it.

And yet again another current theme we see in all the Democratic legislation is let's somehow loosen up the standards of who can qualify here. Whether it be for housing benefits and agriculture appropriations, whether it be in SCHIP, what we see is language to make it easier for illegal immigrants to access these benefits. We see it each and every time that the bill comes to the floor. We see it yet again in this legislation. Clearly, the American people reject this. That's why this particular program needs to be rejected.

Mr. LEVIN. I would now like to yield 1¾ minutes to another distinguished member of our committee, Mr. BLUMENAUER from Oregon.

Mr. BLUMENAUER. My good friend from Texas, if he would have bothered to talk to the ranking member of the Ways and Means Committee, who was seated on the floor next to him, would have known that there is a trade bill coming to the floor, passed unanimously, 39–0, that is a reflection of what we were sent here to do, which was to redefine, redirect these policies so that they were win-wins, so that they benefited the economy, not at the expense of working men and women, not at the expense of the environment. And the legislation we have before us here today is an extension of that strategy.

There is a clash of philosophies that you are going to hear in the next hour. We have included a greater scope, including services, as you have talked about. The notion is to expand and enhance, to deal with people who are disadvantaged, in some cases harmed, because of global impacts beyond their control. Our Republican friends would propose to redirect and reduce.

We put more money for more employees with issues of health care. Their proposal, if you look at it carefully, is doing it on the cheap, perhaps with contract employees, capping training assistance at $8,000 over 2 years. Just because you call it a scholarship doesn't mean that it's not going to be a cut for over 25 percent of the workers on the current program in States like Pennsylvania. Even in Nebraska, 80 percent are going to see a 25 percent reduction because they already benefit from more expensive programs.

I hope that as a result of the debate today where people look behind the premises of our friends on the other side of the aisle, the program here, there will be an opportunity to make a judgment about what is the approach. Ultimately I hope we unite behind the approach in the bill before us, and I urge its adoption.

Mr. MCCRERY. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. How much time is remaining?

The SPEAKER pro tempore. The gentleman from Michigan has 3¼ minutes. The gentleman from Louisiana has 3 minutes.

Mr. LEVIN. Mr. Speaker, I now yield 1½ minutes to another very active member of our committee, the Ways and Means Committee, Mr. PASCRELL from New Jersey.

Mr. PASCRELL. Mr. Speaker, to the gentleman from Texas, he obviously didn't read the bill. I recommend that you read the bills before you get up on the floor and make a fool of yourself.

It says right here, section 114, ''No benefit allowances, training, or other employment services may be provided under this chapter to a worker who is an alien unless the alien is an individual lawfully admitted for permanent residence to the United States, is lawfully present in the United States, or is permanently residing in the United States under color of the law.''

You stoop to conquer. You should be ashamed of yourselves. Every time you get in the corner, you've got to bring up illegal aliens. It says it in the law.

By the way, any law that I know of dealing with people who are out of work deals only with those people who are here legally. Get it? It's easy. It's simple. There are only three words here with more than three syllables. You've got to understand that, instead of coming to this floor and embarrassing yourselves.

We know that the dramatically accelerated pace of globalization is one of the more major phenomena of this era. We accept this. But we also believe that we must help shape globalization and mitigate its negative side effects so that American workers are no longer left behind. Dislocated workers put out of their jobs as a result of trade decisions must be protected. We need to first stop the hemorrhaging of the jobs. Just this morning, we had a 39–0 vote. How dare someone come to the floor and twist the record.

I want his words examined, the gentleman from Texas. I want his words examined. You can't come to the floor and say whatever you want. This is not covered speech.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind Members that they should address their remarks to the Chair and not to other Members in the second person.

Mr. MCCRERY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I understand how people can get emotional about some of the arguments with respect to these bills. My good friend from New Jersey is clearly agitated, and I understand that. But I would tell him that some very good lawyers have looked at the language in the bill, which is different from current law language with respect to providing benefits to illegal immigrants. And categories two and three, which the gentleman cited, ''lawfully present in the United States'' or ''permanently residing in the United States under color of law,'' do present problems. First, there are multiple definitions of what ''lawfully present'' means in current law and regulation. Even more fundamentally, literally millions of students and tourists and other ''nonimmigrants'' are ''lawfully present'' in the United States each year. The provision in the bill appears intended to make these groups eligible for TAA benefits despite their not being authorized to work in the United States in the first place.

And the category of ''permanently residing under color of law'' is still more problematic. Even though the welfare reform law sought to do away with this ambiguous category, it continues to be used in some programs. SAA regulations, for example, define PRUCOL, permanently residing in the United States under color of law, to include, among other categories, ''aliens living in the United States with the knowledge and permission of the INS/CIS and whose departure that agency does not contemplate enforcing.'' That is, those who are illegally present and who could be deported but are not. This category could include individuals who were originally authorized to work in the United States for a temporary period of time, lost that job, and under current law were supposed to leave the United States but remained despite the requirement that they leave. It could also include individuals who enter the United States illegally in the first place who are known to the government to be here but who are not being deported.

So, Mr. Speaker, I understand how we can all get emotional about this, but the fact is, at least according to the lawyers that have looked at this information and advised us, the bill does loosen current law with respect to verifying that people who are here illegally are not due the benefits. As the gentleman said, it appears that the intent of the bill is not to qualify those people, but the language of the bill, unfortunately, according to some very good lawyers, might, indeed, allow qualification for those who are here illegally.

Mr. Speaker, I didn't intend to get into all of that. But the fact is that the bill that is before us, I believe, goes way too far in spending, way too far in increasing taxes, and, for those two things alone, should be rejected.

Mr. LEVIN. Mr. Speaker, how much time do I have?

The SPEAKER pro tempore. The gentleman has 1¾ minutes.

Mr. LEVIN. Mr. Speaker, I yield the balance of that to the original sponsor of this legislation going back a number of years, Mr. SMITH of Washington.

Mr. SMITH of Washington. Thank you, Mr. Chairman, for your work on this legislation.

I strongly support expanding trade adjustment assistance for a very simple reason. Workers in our country need help.

We all acknowledge that the economy has changed. And one of the main features of that change is rapid displacement of workers. They have to update their skill. They have to change jobs. It used to be you could get a job for a company that you knew was going to be there and a job that you knew was going to be there, and everybody acknowledges that has changed, primarily because of global competition and because of technology.

So this bill asks one very simple question: Do you think the workers of this country need help in this new environment with all of that rapid change, with all of the displacement that we have heard about from both sides of the aisle today? Do the workers in this country need more help to deal with that? Do they need a bridge between jobs, income support? And do they need training to help them be qualified for new jobs that will be available? And do they need health care support since so many people in this country's health care is dependent upon their jobs?

The answer to all of those questions is obviously yes. That is what this bill does. It expands the number of people who will have access to that desperately needed help. It gives our workers a chance.

We all know that the new economy in globalization is here to stay. We acknowledge that. But what we on this side of the aisle want to do is help our workers deal with that instead of just saying, Good luck. It's changed. You're going to be displaced. We hope it works out for you. Overall, we'll be fine.

We focus on those workers who need help, and this bill gives them more help. It expands the service sector workers, and it expands the number of displaced workers in this country who will get that income support, that job training, and that health care that they so desperately need.

I strongly urge support for this legislation.

Mr. KIND. Mr. Speaker, today I rise in strong support of the Trade and Globalization Assistance Act so that all American workers will be able to realize the benefits of the global economy. H.R. 3920 will update our system of trade adjustment assistance, TAA, to include service sector employees, strengthen benefit levels and duration, improve worker training, and stimulate economic recovery in affected communities. These are needed changes to ensure that workers affected by globalization are taken care of if their job is lost.

International trade is an essential part of the American economy today and in the future. In fact, total U.S. trade of goods and services last year totaled $3.6 trillion. The reduction of trade barriers in recent years has led to a corresponding increase in trade volume, to the benefit of both American businesses and American consumers. Knowing that these benefits do not accrue evenly across all industries, however, Congress established the TAA program to help smooth the transition for workers who have to make the shift to a more competitive field.

The safety net for outsourced jobs, which consists of extended unemployment benefits, worker training, and a health care tax credit, was first enacted in 1962 and updated in 2002. This update, however, did not go far enough to bring the program up to date with current trade and labor realities. For one, the benefits currently extend only to workers in the manufacturing sector, despite the fact that a growing percentage of jobs shifted overseas have been from the services sector, such as telemarketing and financial services. Since the nature of the American economy has moved away from a reliance on manufacturing, it only makes sense that workers in the services sector be eligible for the same support as industrial workers.

The bill makes a number of other changes to strengthen TAA benefits, including an increase in the health care tax credit, an extension of income support and training period, and a large increase in the overall funding level to ensure that no eligible worker is turned away due to lack of program funds.

But H.R. 3920 also takes the TAA program beyond the effects on individual workers by offering new tax incentives for investment in distressed communities that have lost manufacturing jobs. The whole notion of worker assistance is meaningless without creating new jobs for displaced employees. Targeting investment into communities with an available workforce would benefit employers and employees alike and maintain vibrant towns and cities across this Nation.

Finally, this bill considers the needs of the larger Federal-State unemployment insurance (UI) system by dedicating $100 million annually for the States to improve UI administration. Additional funding for this purpose would also be available from Federal unemployment trust funds. This money would be an incentive for States to cover part-time, low-wage, and other workers in State UI laws.

I look forward to passing this bill today in anticipation of also passing pending trade deals in the coming weeks and months. By giving our businesses the freedom they need to sell American goods and services abroad, we are ensuring that the American economy will stay strong and competitive in the future. By assuring our employees that there will always be a place for good American workers, we will ensure a strong labor force capable of evolving along with the global economy.

I support H.R. 3920, and I urge my colleagues to vote for it today.

Mr. PATRICK J. MURPHY of Pennsylvania. Mr. Speaker, I rise today to support much-needed economic redevelopment through the Trade and Globalization Assistance Act. This forwarding-thinking legislation will ensure that America's workers receive the training and assistance they need to compete in the global economy.

Globalization has had a significant impact on the American workforce, but our national policies have not kept pace with international economic changes. Gone are the days when men and women began and ended their careers at a steel or textile mill. Now, even customer service professionals and software engineers are losing jobs to overseas competition.

Thirty years ago, in my district in Bucks County, Pennsylvania, more than 46,000 people were employed in manufacturing jobs. Like many other working-class communities, my district suffered severe job loss when foreign competition forced major employers like US Steel, Jones Apparel and Rohm and Haas to shut-down most of their operations. By 2005, manufacturing employment in Bucks County had fallen 34 percent. The departure of manufacturing jobs resulted in vacant properties, abandoned buildings and contaminated land—and in Bristol, Pennsylvania, crumbling roads and poor drainage put families at risk during a recent flood. But most of all, the decline in manufacturing jobs decline left thousands of middle class workers out of a job.

Mr. Speaker, the Trade and Globalization Assistance Act makes substantial improvements to the Trade Adjustment Assistance Program and gives communities like mine a chance.

Through the Manufacturing Redevelopment Zone Program, this legislation will provide important tax incentives to cities and towns like those in my district that have suffered substantial reductions in manufacturing employment. Communities designated as manufacturing redevelopment zones will have a second-chance to revitalize their economy by attracting new investments that will create family-sustaining jobs. This program will help lift-up some of our Nation's poorest communities, but it is also a chance to demonstrate our commitment to American innovation.

While towns in my district still face many challenges, lower Bucks County has begun to turn the comer. Over the past 5 years, we have worked hard attract new investment, support workforce development and improve infrastructure.

The ongoing redevelopment at a former US Steel site is an outstanding example of my community's potential. Through incentives and a commitment to revitalization, that site is now home to a clean wind power manufacturer that employs over 800 people. More high-tech, green energy companies plan to open facilities in the near future. We have made great progress, but there is more work to be done.

The additional incentives provided under a manufacturing zone designation would allow towns in lower Bucks County to make infrastructure improvements, cleanup brownfields, attract new investments and create jobs. Through ingenuity and good old fashioned American competitiveness we will move even closer to economic revitalization and energy independence.

Mr. Speaker, Lower Bucks County has enormous potential and I pledge to do everything I can to encourage economic growth and support middle class families in my district. Towns in my district are still struggling and I am proud to partner local leaders and the business community to support economic development.

By passing this bill, we give hard working Americans the support they need and strengthen a foundation for economic leadership. I urge my colleagues to support this critical piece of legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 3920, The Trade and Globalization Assistance Act of 2007, introduced by my distinguished colleague from New York, Chairman RANGEL. This important legislation updates and overhauls the antiquated Trade Assistance Act for workers program of 1962.

In today's globalized economy, no worker is untouched by the phenomenon of the global trade market. In 1962, when the Trade Assistance Act was conceived and implemented, the status of American workers was much different than it is today. The existing and outdated legislation is marred with arbitrary eligibility criteria and inconsistencies as well as a lack of coverage for workers in industries that were not yet prominent.

Mr. Speaker, the Trade and Globalization Assistance Act of 2007, integrates all workers whose efforts in building our global economy make our economy flourish within the international system. Coverage will now be granted to workers in the service industry, which had yet to significantly develop in the 1960's, as well as secondary and offshore workers. The bill eliminates restrictions, ensuring that all workers impacted by trade are covered, regardless of where the factory relocated to or where the import competition came from. This legislation will also ensure automatic certification for workers covered by ITC injury determinations, which is a major issue in the current economy in which products and technologies quickly are eclipsed and job security is never ensured. Furthermore, this legislation will work to synchronize the Trade Assistance Act certification process which is currently on a firm-by-firm basis. Consistency in our treatment of workers is absolutely imperative, to ensure we have an equitable system which protects the backbone of our Nation.

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, has urged Congress to pass this legislation. As representatives of America's workers, it is our duty to ensure that they receive all the possible security and benefits of their labor, especially in today's unpredictable global economy. This bill extends TAA job training and health benefits to service workers who lose their jobs due to global trade and covers more manufacturing workers. It also dramatically improves TAA health care benefits and strengthens job training benefits in order to ensure that our workers develop the skills they need to be successful in well paying jobs. This bill further protects American workers by creating new benefits and tax incentives for industries and communities that have experienced manufacturing job losses, promotes long-needed reforms in unemployment benefits, and strengthens notification of workers laid off in plant closing or in mass layoffs.

This Congress has charted a New Direction Congress when it comes to protecting American workers and by passing an increase in the minimum wage. We must also ensure that America remains a competitive economic power. We must ensure that our workforce is adequately skilled and provided for, not just the privileged few who benefit from the prosperity of our nation but also the labor of everyday Americans who ensure the continued growth of our economy.

Mr. Speaker, I feel that as this country moves forward, this bill is an important first step in ensuring that it does not do so at the expense of American workers.

Mr. VAN HOLLEN. Mr. Speaker, I rise today in support of H.R. 3920, the Trade and Globalization Assistance Act of 2007.

Growing global economic integration means the U.S. economy is more protected from domestic economic shocks because more people in more countries are buying American goods and services. But globalization can also produce harmful short term affects—such as when American jobs are lost as a result of trade. That is what H.R. 3920 is about.

H.R. 3920 helps those American workers who lose their jobs by no fault of their own as a result of trade and who need assistance in meeting the new challenges of the changing global economy. The types of assistance provided include additional training, long term education, short term income support, and health care.

The bill expands trade adjustment assistance to service workers including government employees who are laid off because of trade. When trade adjustment assistance started in 1962, U.S. trade in services was not significant. Today, the service sector comprises more than 70 percent of the U.S. economy. H.R. 3920 updates trade adjustment assistance to account for the size and growing significance of the American service sector.

The bill also expands assistance to more manufacturing workers by eliminating restrictions on what country a U.S. factory's jobs are moved to or whether the loss of jobs are ''downstream'' so that all workers impacted by trade are covered regardless of where the factory relocates or where the import competition came from.

H.R. 3920 also helps American workers adapt to the needs of the changing global economy by enabling them to upgrade their skills. This bill doubles training assistance and provides up to 130 weeks of additional income

support for workers who require a longer educational period, such as when finishing a college degree.

Mr. Speaker, today the Peru Free Trade Agreement was reported out of the Ways and Means Committee by a vote of 39–0. Many of us supported the Peru FTA because of the landmark workers rights and environmental provisions negotiated this past May that were inserted in the agreement. They were also influenced and encouraged by H.R. 3920 because they, like myself, feel more confident that American workers harmed by trade will get the assistance they need to meet the new challenges created by a global economy.

I am proud to support H.R. 3920 the Trade and Globalization Assistance Act of 2007, and I encourage my colleagues to do the same.

Mr. ETHERIDGE. Mr. Speaker, I rise today in support of H.R. 3920, the Trade and Globalization Act of 2007.

Mr. Speaker, it has been over two decades since there has been any meaningful updating of this important legislation. Effective job training gives workers the tools they need to make the most of their employment and economic opportunities.

When the first Trade Adjustment Assistance Act was passed in 1962 the job losses addressed by this law were mainly manufacturing jobs; today our economy faces the threat of job losses in the service industry as well.

H.R. 3920 makes important updates to this initiative, including provisions that close outdated loopholes to make anyone who loses a job as a result of a factory moving overseas to be eligible for Trade Adjustment Assistance. The bill doubles the training fund cap to retrain displaced workers from $220 to $440 million dollars, makes more service industry workers such as customer service workers eligible for assistance, and finally, increases the Health Care Tax Credit subsidy for displaced workers who have lost their healthcare coverage to 85 percent.

Mr. Speaker, this is timely and needed legislation. I urge my colleagues to support this bill and vote yes on H.R. 3920.

Ms. SOLIS. Mr. Speaker, I rise today in strong support of H.R. 3920, the Trade and Globalization Assistance Act of 2007. This bill will provide American workers displaced by globalization and trade policy with the necessary tools and assurance to compete in the global economy.

Created in 1962, the Trade Adjustment Assistance (TAA) program offers trade-displaced workers up to two years of job training and income support while they transition to different jobs often in new sectors. Unfortunately, for too long, thousands of our workers have been denied services they are otherwise eligible to receive because of a lack of funding or restrictive interpretations of current law. H.R. 3920 bridges this gap, by not only doubling training funds to $440 million but also by providing states with funds for vital outreach to ensure that our workers are not lost or forgotten in this increasing global age. Eighty percent of all workers in the United States work in the service sector industry and I am proud that for the first time they will be fully eligible for coverage through this legislation.

H.R. 3920 also intends to protect our most vulnerable workers—women and minorities. While Latinos represent 12.6 percent of the total U.S. workforce, they account for 26 percent of textile and apparel industry workers. In California, Latinos make up an estimated 80 percent of the California garment industry, which has been especially hard-hit by NAFTA's impact. As a result, Latino workers have been significantly hurt by poorly crafted trade policy. According to the Department of Labor, 47 percent of individuals that applied for NAFTA's TAA program due to lay offs were Latino.

Unfortunately, President Bush is threatening to veto this legislation, continuing his policy of favoring wealthy Americans over middle-class workers. I believe that it is well past time to acknowledge the hard fact that trade policy has had a negative impact on our nation's workers and it is our job to give them the support they need to be active members of our workforce. I urge my colleagues to support this legislation, so we can provide displaced workers with the tools and resources necessary to compete in the 21st century, and I urge President Bush to reconsider his callous threat and stand with us to support American workers and American jobs.

Mr. AL GREEN of Texas. Mr. Speaker, I support H.R. 3920, The Trade and Globalization Assistance Act of 2007. H.R. 3920 would expand the Trade Adjustment Assistance program, which assists workers who lose their jobs because of foreign trade. Trade Adjustment Assistance, TAA, was first established in 1962, in recognition of the fact that some workers would lose their jobs as a direct result of our national trade policies. The program is designed to assist these trade-dislocated workers by providing them with the opportunity to train for new careers. Although the program currently includes about 80,000 certified workers enrolled in training, there are thousands of other trade-displaced workers who deserve but have been unable to obtain training through the TAA program.

H.R. 3920 makes many long-sought improvements to TAA. The bill allows for industry-wide certification in certain instances, a change that will eliminate the delays and inconsistent results in the current firm-by-firm process. The bill also includes a number of changes that will simplify and improve the process by which eligible workers obtain training.

We must continue to provide our strong support to workers who are faced with the unfortunate event of losing their employment. H.R. 3920 is an excellent bill that will provide much needed and overdue help to displaced and unemployed workers. These programs are essential to the viability and livelihood of thousands of hard-working Americans. As a proud supporter of America's workers, I understand the vital importance of ensuring the social welfare of our labor force. I will continue to work with my colleagues to preserve their social and economic care. America's workers deserve America's support.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT NO. 1 OFFERED BY MR. MCCRERY, AS MODIFIED

Mr. MCCRERY. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in part B of House Report 110–417 offered by Mr. MCCRERY, as modified:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Helping American Workers Adjust to Globalization and Win Act''.

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

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Subtitle A—Petitions and Determinations

SEC. 101. PETITIONS.

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

(1) in paragraph (1), by striking ''simultaneously with the Secretary and with the Governor of the State in which such workers' firm or subdivision is located'' and inserting ''with the Secretary'';

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by inserting after paragraph (1) the following new paragraph:

''(2) Upon receipt of a petition filed under paragraph (1), the Secretary shall promptly notify the Governor of the State in which such workers' firm or subdivision is located of the filing of the petition and its contents.'';

(4) in paragraph (3) (as redesignated by paragraph (2) of this section), by striking ''a petition filed under paragraph (1)'' and inserting ''a notice under paragraph (2)''; and

(5) in paragraph (4) (as redesignated by paragraph (2) of this section)—

(A) by striking ''the petition'' and inserting ''a petition filed under paragraph (1)''; and

(B) by inserting ''and on the Website of the Department of Labor'' after ''in the Federal Register''.

SEC. 102. GROUP ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—Subsection (a)(2)(B)(i) of section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended by inserting at the end before the semicolon the following: ''that contributed importantly to such workers' separation or threat of separation''.

(b) ADVERSELY AFFECTED SECONDARY WORKERS.—Subsection (b) of such section is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) by redesignating paragraph (3) as paragraph (4);

(3) by inserting after paragraph (2) the following new paragraph:

''(3) the sales or production, or both, of such firm or subdivision have decreased absolutely; and''; and

(4) in subparagraph (A) of paragraph (4) (as redesignated by paragraph (2) of this subsection), by inserting at the end before the semicolon the following: ''and contributed importantly to the workers' separation or threat of separation determined under paragraph (1)''.

(c) DEFINITIONS.—Subsection (c) of such section is amended—

(1) in paragraph (3), by striking '', if the certification of eligibility under subsection (a) is based on an increase in imports from, or a shift in production to, Canada or Mexico''; and

(2) by adding at the end the following new paragraphs:

''(5) The term 'article' means—

''(A) a tangible product subject to duty under the Harmonized Tariff Schedule of the United States which is not incidental to the provision of a service; or

''(B) an intangible product, such as a digital product (including computer programs, text, video, image and sound recordings, and similar products), that would be subject to duty under the Harmonized Tariff Schedule of the United States if the intangible product were embodied in a physical medium and which is not incidental to the provision of a service.

''(6) The term 'worker' means—

''(A) with respect to a firm described in subsection (a)—

''(i) an individual directly employed by the firm that produces an article that is the basis for a determination under subsection (a) and who performs tasks relating to the production of the article; or

''(ii) an individual who is under the operational control of the firm that produces an article that is the basis for a determination under subsection (a) pursuant to a contract or leasing arrangement and who performs tasks relating to the production of the article;

''(B) with respect to a firm that is a supplier described in subsection (b)—

''(i) an individual directly employed by the firm that is a supplier and who performs tasks relating to the production of component parts for an article that is the basis for a determination under subsection (a); or

''(ii) an individual who is under the operational control of the firm that is a supplier pursuant to a contract or leasing arrangement and who performs tasks relating to the production of component parts for an article that is the basis for a determination under subsection (a); and

''(C) with respect to a firm that is a downstream producer described in subsection (b)—

''(i) an individual directly employed by the firm that is a downstream producer and who perform tasks relating to the provision of additional, value-added production processes for an article that is the basis for a determination under subsection (a); or

''(ii) an individual who is under the operational control of the firm that is a downstream producer pursuant to a contract or leasing arrangement and who performs tasks relating to the provision of additional, value-added production processes for an article that is the basis for a determination under subsection (a).''.

SEC. 103. DETERMINATIONS BY SECRETARY OF LABOR.

(a) WORKERS COVERED BY CERTIFICATION.—Subsection (b) of section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended—

(1) in the matter preceding paragraph (1), by striking ''under this section'' and inserting ''under subsection (a) or (d) of this section''; and

(2) in paragraph (2), to read as follows:

''(2) after the earliest of—

''(A) the date that is two years after the date on which certification is granted under subsection (a);

''(B) the date that is two years after the date of the earliest determination, if any, denying certification under subsection (a); or

''(C) the termination date, if any, determined under subsection (e).''.

(b) PUBLICATION OF DETERMINATION.—Subsection (c) of such section is amended—

(1) by striking ''his determination'' and inserting ''a determination'';

(2) by inserting ''and on the Website of the Department of Labor'' after ''in the Federal Register''; and

(3) by striking ''his reasons'' and inserting ''the Secretary's reasons''.

(c) AMENDMENT TO CERTIFICATION.—Such section is further amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

''(d) Whenever the Secretary determines, with respect to any certification of eligibility of the workers of a firm or subdivision of the firm, and subject to such regulations as the Secretary may prescribe, that good

cause exists to amend such certification, the Secretary shall amend such certification and promptly publish notice of such amendment in the Federal Register and on the Website of the Department of Labor together with the reasons for making such determination.''.

(d) TERMINATION OF CERTIFICATION.—Subsection (e) of such section (as redesignated by subsection (c)(1) of this section) is amended—

(1) by striking ''he shall'' and inserting ''the Secretary shall'';

(2) by inserting ''and on the Website of the Department of Labor'' after ''in the Federal Register''; and

(3) by striking ''his reasons'' and inserting ''the Secretary's reasons''.

SEC. 104. BENEFIT INFORMATION TO WORKERS.

Section 225(a) of the Trade Act of 1974 (19 U.S.C. 2275(a)) is amended in the fourth sentence by striking ''the State Board for Vocational Education or equivalent agency and other public or private agencies, institutions, and employers, as appropriate,'' and inserting ''the appropriate State workforce investment board (established under section 111 of the Workforce Investment Act of 1998 (29 U.S.C. 2821)) and State workforce agency responsible for the administration of the State workforce investment program funded under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)''.

SEC. 105. ADMINISTRATIVE RECONSIDERATION OF DETERMINATIONS BY SECRETARY OF LABOR.

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

''SEC. 226. ADMINISTRATIVE RECONSIDERATION OF DETERMINATIONS BY SECRETARY OF LABOR.

''(a) ADMINISTRATIVE RECONSIDERATION.—

''(1) IN GENERAL.—A worker, group of workers, certified or recognized union or other duly authorized representative of such worker or group of workers, or any of the individuals or entities described in section 221(a)(1)(C), aggrieved (or on behalf of such workers aggrieved) by a determination of the Secretary of Labor under section 223 denying a certification of eligibility, may file a request for administrative reconsideration with the Secretary not later than 60 days after the date on which notice of the determination is published under section 223.

''(2) FAILURE TO MAKE TIMELY REQUEST.—The failure to file a request for administrative reconsideration of a determination denying a certification of eligibility under section 223 within the 60-day period described in paragraph (1) shall be deemed to be a failure to exhaust administrative remedies and such determination shall not be subject to judicial review under section 284.

''(b) NOTICE, REVIEW, AND FINAL DETERMINATION.—

''(1) NOTICE.—If a request for administrative reconsideration of a determination of the Secretary is filed in accordance with the provisions of subsection (a), the Secretary shall promptly publish notice thereof in the Federal Register and on the Website of the Department of Labor.

''(2) REVIEW OF DETERMINATION.—The Secretary shall initiate a review of the determination of the Secretary upon filing of the request for administrative reconsideration under subsection (a) and shall include an opportunity for interested persons to submit additional information.

''(3) FINAL DETERMINATION.—The Secretary shall issue a final determination on the request for administrative reconsideration not later than 60 days after the date on which the Secretary publishes notice of the request for reconsideration pursuant to paragraph (1). Upon reaching a determination on a reconsideration, the Secretary shall promptly publish a summary of the determination in the Federal Register and on the Website of the Department of Labor, together with the reasons for making such determination. The requirements relating to judicial review under section 284 shall apply to any determination made by the Secretary under this subsection.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Trade Act of 1974 is amended by inserting after the item relating to section 225 the following:

''Sec. 226. Administrative reconsideration of determinations by Secretary of Labor.''.

Subtitle B—Program Benefits

CHAPTER 1—TRADE READJUSTMENT ALLOWANCES

SEC. 111. QUALIFYING REQUIREMENTS FOR WORKERS.

(a) BASIC TRADE READJUSTMENT ALLOWANCE.—Subsection (a) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended—

(1) in the matter preceding paragraph (1), by striking ''60 days'' and inserting ''40 days'';

(2) in paragraph (1), by striking ''occurred—'' and all that follows and inserting ''occurred during the period described in section 223(b).''; and

(3) by striking paragraphs (4) and (5).

(b) PAYMENT OF ADDITIONAL TRADE READJUSTMENT ALLOWANCE.—Such section is further amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following new subsection:

''(b) In addition to the payment of a trade readjustment allowance under subsection (a), payment of an additional trade readjustment allowance shall be made to an adversely affected worker who is covered by a certification under subchapter A and who—

''(1) files an application for such allowance for any week of unemployment which begins after the worker has received the maximum amount of trade readjustment allowances payable under subsection (a);

''(2) meets the conditions described in paragraphs (1) through (3) of subsection (a); and

''(3) is either—

''(A) totally unemployed and is enrolled in a full-time training program approved by the Secretary under section 236(a); or

''(B) partially unemployed and is enrolled in a full-time or part-time training program approved by the Secretary under section 236(a).''.

(c) WITHHOLDING OF TRADE READJUSTMENT ALLOWANCE PENDING BEGINNING OR RESUMPTION OF PARTICIPATION IN TRAINING PROGRAM; PERIOD OF APPLICABILITY.—Subsection (c) of such section (as redesignated by subsection (b)(1) of this section) is amended to read as follows:

''(c) If the Secretary determines that—

''(1) the adversely affected worker—

''(A) has failed to begin participation in the training program the enrollment in which meets the requirement of subsection (b)(3), or

''(B) has ceased to participate in such training program before completing such training program, and

''(2) there is no justifiable cause for such failure or cessation,

no trade readjustment allowance may be paid to the adversely affected worker under this part for the week in which such failure, cessation, or revocation occurred, or any succeeding week, until the adversely affected worker begins or resumes participation in a training program approved under section 236(a).''.

(d) WAIVERS OF TRAINING REQUIREMENTS.—Subsection (d) of such section (as redesignated by subsection (b)(1) of this section) is hereby repealed.

SEC. 112. WEEKLY AMOUNTS.

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

(1) by striking ''(a)'' and inserting ''(a)(1)'';

(2) by inserting ''paragraph (2) and'' after ''Subject to'';

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(4) by adding at the end the following new paragraph:

''(2)(A) Notwithstanding section 231(a)(3)(B), if an adversely affected worker who is participating in training qualifies for unemployment insurance under State law, based in whole or in part upon part-time or short-term employment following approval of the worker's initial trade readjustment allowance application under section 231(a), then for any week for which unemployment insurance is payable and for which the worker would otherwise be entitled to a trade readjustment allowance based upon the certification under section 223, the worker shall be paid a trade readjustment allowance in the amount described in subparagraph (B).

''(B) The trade readjustment allowance payable under subparagraph (A) shall be equal to the weekly benefit amount of the unemployment insurance upon which the worker's trade readjustment allowance was initially determined under paragraph (1), reduced by—

''(i) the amount of the unemployment insurance benefit payable to such worker for that week of unemployment for which a trade readjustment allowance is payable under subparagraph (A) of this paragraph; and

''(ii) the amounts described in subparagraphs (A) and (B) of paragraph (1).''.

(b) ADVERSELY AFFECTED WORKERS WHO ARE UNDERGOING TRAINING.—Subsection (b) of such section is amended—

(1) by inserting ''under section 231(b)'' after ''who is entitled to trade readjustment allowances''; and

(2) by striking ''he is undergoing any such'' and inserting ''such worker is undergoing''.

SEC. 113. LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

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

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''The maximum amount'' and inserting ''Except as provided in paragraph (3), the maximum amount''; and

(ii) by striking ''52'' and inserting ''39''; and

(B) in paragraph (3), by striking ''52'' each place it appears and inserting ''65'';

(2) by striking subsection (b);

(3) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively; and

(4) in subsection (f) (as redesignated by paragraph (3) of this section), by striking ''section 236(a)(5)(D)'' and inserting ''section 236''.

CHAPTER 2—TRAINING, OTHER REEMPLOYMENT SERVICES, AND ALLOWANCES

SEC. 121. REEMPLOYMENT SERVICES.

(a) IN GENERAL.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended—

(1) in the heading, by striking ''**EMPLOYMENT**'' and inserting ''**REEMPLOYMENT**'';

(2) by striking ''The Secretary'' the first place it appears and inserting ''(a) The Secretary'';

(3) by striking ''counseling, testing, and placement services, and supportive and other services'' and inserting ''career counseling, testing and assessments, and job placement services, and supportive and other services''; and

(4) by adding at the end the following new subsection:

''(b) In order to facilitate the provision of services described in subsection (a), the Secretary shall ensure the effective implementation of the requirements of section 239(e) relating to the co-enrollment of adversely affected workers in the dislocated worker program authorized under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.).''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Trade Act of 1974 is amended by striking the heading relating to part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 and the item relating to section 235 of such Act and inserting the following:

''PART II—TRAINING, OTHER REEMPLOYMENT SERVICES, AND ALLOWANCES

''Sec. 235. Reemployment services.''.

SEC. 122. TRAINING.

(a) IN GENERAL.—Section 236 of the Trade Act of 1974 (19 U.S.C. 2296) is amended to read as follows:

''SEC. 236. TRAINING.

''(a) APPROVAL OF TRAINING.—

''(1) IN GENERAL.—If the Secretary determines that an adversely affected worker, including an adversely affected worker who has obtained reemployment subsequent to separation from the adversely affected employment, or an adversely affected incumbent worker, meets the criteria described in paragraph (2), and otherwise meets the requirements described under this section, the Secretary shall approve the training program requested by the worker. Upon such approval, the worker shall be entitled to have payment of the costs of such training (subject to the limitations imposed by this section) paid on the worker's behalf by the Secretary directly or through a voucher system. The costs of such training shall include the costs of tuition, books, required tools, and fees related to education, licensing, or certification.

''(2) CRITERIA FOR APPROVAL OF TRAINING PROGRAM.—For purposes of paragraph (1), training for an adversely affected worker or an adversely affected incumbent worker, shall be approved if the Secretary determines that—

''(A) the worker needs additional marketable skills to obtain or retain employment comparable to the worker's adversely affected employment;

''(B) there is a reasonable expectation of such employment following the completion of the training; and

''(C) the worker is qualified to undertake and complete the training sought.

''(3) ENROLLMENT DEADLINE.—

''(A) IN GENERAL.—In order to receive assistance under this section, a worker shall enroll in a training program approved under paragraph (1) not later than the later of—

''(i) the last day of the 39th week after the worker's most recent separation from adversely affected employment which meets the requirements of paragraphs (1) and (2) of section 231(a); or

''(ii) the last day of the 13th week after the week in which the Secretary issues a certification under subchapter A covering such worker.

''(B) EXTENSION FOR JUSTIFIABLE CAUSE.—The Secretary may grant an extension of the enrollment period described in subparagraph (A) for a worker if the Secretary determines that there is justifiable cause for such an extension.

''(b) FUNDING FOR TRAINING.—

''(1) ANNUAL LIMIT ON AGGREGATE PAYMENTS UNDER PROGRAM.—

''(A) IN GENERAL.—The total amount of payments that may be made under subsection (a)(1) for any fiscal year shall not exceed $220,000,000.

''(B) APPORTIONMENT AMONG STATES.—The Secretary shall establish a method for apportioning among States the funds that are available for training under this chapter in any fiscal year. Such method may include the use of formula allotments and reallotments, and the establishment of a reserve that is used to assist in apportioning funds to those States in need of additional funding during the fiscal year.

''(2) LIMITATIONS APPLICABLE TO WORKERS.—

''(A) DURATION.—Subject to subparagraph (C), the costs of a training program approved under subsection (a)(1) for an adversely affected worker or an adversely affected incumbent worker shall be paid under this section for a period not to exceed four years from the date the worker first enrolled in the training program. A worker may participate in such training program during such period on a full-time or part-time basis. During the period of participation the worker shall make adequate yearly progress, as determined by the Secretary, toward the attainment of a license, certificate, or degree pursuant to such training program in order to remain eligible for assistance under this section.

''(B) AMOUNT.—Subject to subparagraph (C), the payments for a training program under subsection (a)(1) for a worker may not exceed $4,000 for any one-year period, or a total of $8,000 over the maximum four-year period described in subparagraph (A).

''(C) EXCEPTIONS.—

''(i) LITERACY TRAINING AND PREREQUISITES.—If the Secretary determines that an adversely affected worker or an adversely affected incumbent worker needs literacy training, English as a second language instruction, remedial education, educational assistance to obtain a high school diploma or General Equivalency Degree, or prerequisites in order to participate in a training program for occupations in demand, the Secretary shall approve the provision of such activities and provide up to $1,000 in payments for such activities. Such payments shall not be included for purposes of applying the limits on payments described in subparagraph (B).

''(ii) ON-THE-JOB TRAINING.—The provisions of subparagraphs (A) and (B) shall not be applicable to on-the-job training programs, except as provided in subsection (f)(2).

''(3) DUPLICATIVE PAYMENTS PROHIBITED.—No payment may be made under subsection (a)(1) of the costs of training an adversely affected worker or an adversely affected incumbent worker if such costs are payable or have already been paid under any other provision of Federal law.

''(4) REPORT.—

''(A) IN GENERAL.—Not later than May 31 and November 30 of each year, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on—

''(i) the initial allocation among States of funds for training approved under this section;

''(ii) any additional distributions of funds for training approved under this section during the two most recent fiscal quarters and cumulatively during the fiscal year;

''(iii) the amount of funds obligated and expended by the States to provide training approved under this section during the two most recent fiscal quarters and cumulatively during the fiscal year; and

''(iv) the efforts of the Department of Labor to ensure that each State receives an appropriate level of funds during the fiscal year to provide training approved under this section to all eligible workers.

''(B) DEFINITION.—In this paragraph, the term 'fiscal quarter' means any 3-month period beginning on October 1, January 1, April 1, or July 1 of a fiscal year.

''(c) TRAINING PROGRAMS THAT MAY BE APPROVED.—The training programs that may be approved under subsection (a) include—

''(1) employer-based training, including—

''(A) on-the-job training;

''(B) customized training; and

''(C) apprenticeship programs registered under the National Apprenticeship Act (29 U.S.C. 50 et seq.);

''(2) a training program that leads to a license, certificate, or degree and is linked to occupations in demand, which may include training provided in classroom, distance learning, and technology-based learning;

''(3) a training program that has been determined by a State to be eligible to receive payments under section 122 of the Workforce Investment Act of 1998 (29 U.S.C. 2842);

''(4) a program of remedial education that will enable a worker to obtain employment or to enroll in a training program described in paragraph (2) or (3); and

''(5) a training program for which all, or any portion, of the costs of training the worker are paid—

''(A) under any Federal or State program other than this chapter; or

''(B) from any source other than this section.

''(d) SHARING OF COSTS.—

''(1) IN GENERAL.—The Secretary is not required under subsection (a) to pay the costs of any training approved under such subsection to the extent that such costs are paid—

''(A) under any Federal or State program other than this chapter; or

''(B) from any source other than this section.

''(2) COST-SHARING AGREEMENT.—Before approving any training to which paragraph (1) may apply, the Secretary may require that the adversely affected worker or the adversely affected incumbent worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under this section the portion of the costs of such training that the worker has reason to believe will be paid under the program, or by the source, described in subparagraph (A) or (B) of paragraph (1).

''(e) SUPPLEMENTAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may, where appropriate, authorize supplemental assistance necessary to defray reasonable transportation and subsistence expenses for

separate maintenance when training is provided in facilities that are not within commuting distance of a worker's regular place of residence.

''(2) LIMITATIONS.—The Secretary may not authorize—

''(A) payments for subsistence that exceed whichever is the lesser of—

''(i) the actual per diem expenses for subsistence; or

''(ii) payments at 50 percent of the prevailing per diem allowance rate authorized under the Federal travel regulations; or

''(B) payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

''(f) PAYMENT OF COSTS OF ON-THE-JOB TRAINING.—

''(1) IN GENERAL.—The Secretary shall pay the costs of any on-the-job training of an adversely affected worker that is approved under subsection (a)(1), but the Secretary may pay such costs, notwithstanding any other provision of this section, only if—

''(A) no currently employed worker is displaced by such adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits);

''(B) such training does not impair existing contracts for services or collective bargaining agreements;

''(C) in the case of training which would be inconsistent with the terms of a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained;

''(D) no other individual is on layoff from the same, or any substantially equivalent, job for which such adversely affected worker is being trained;

''(E) the employer has not terminated the employment of any regular employee or otherwise reduced the work force of the employer with the intention of filling the vacancy so created by hiring such adversely affected worker;

''(F) the job for which such adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals;

''(G) such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222;

''(H) the employer is provided reimbursement of not more than 50 percent of the wage rate of the participant, for the cost of providing the training and additional supervision related to the training;

''(I) the duration of such training does not exceed 1 year; and

''(J) the employer has not received payment under subsection (a)(1) with respect to any other on-the-job training provided by such employer which failed to meet the requirements of subparagraphs (A), (B), (C), (D), (E), and (F).

''(2) SUPPLEMENTARY TRAINING.—An on-the-job training program approved under this section may include, as a component of such program, the provision of training with a provider other than the employer that is not provided on-the-job and is designed to enhance the occupational skills of the worker. The costs of such training shall be subject to the limitation described in subsection (b)(2)(B).

''(g) EFFECT OF APPROVED TRAINING ON ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.—A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not comparable employment to enter such training, or because of the application to any such week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

''(h) DEFINITION.—In this section, the term 'customized training' means training that is—

''(1) designed to meet the special requirements of an employer or group of employers;

''(2) conducted with a commitment by the employer or group of employers to employ an individual upon successful completion of the training; and

''(3) for which the employer pays for a significant portion of the cost of such training, as determined by the Secretary.''.

(b) CONFORMING AMENDMENTS.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 et seq.) is amended—

(1) in section 237(b)(2), by striking ''section 236(b)(1) and (2)'' and inserting ''section 236''; and

(2) in subsections (b)(1) and (c)(2) of section 238, by striking ''section 236(b)(1) and (2)'' each place it appears and inserting ''section 236''.

SEC. 123. JOB SEARCH ALLOWANCES.

Section 237(a)(2) of the Trade Act of 1974 (19 U.S.C. 2297(a)(2)) is amended—

(1) in subparagraph (B), by striking ''suitable'' and inserting ''comparable''; and

(2) in subparagraph (C)(ii), by striking '', unless the worker received a waiver under section 231(c)''.

SEC. 124. RELOCATION ALLOWANCES.

Section 238(a)(2) of the Trade Act of 1974 (19 U.S.C. 2298(a)(2)) is amended—

(1) in subparagraph (B), by striking ''suitable'' and inserting ''comparable'';

(2) in subparagraph (D)—

(A) in the heading, by striking ''SUITABLE'' and inserting ''OUT-OF-AREA''; and

(B) in clause (i) to read as follows:

''(i) has obtained employment affording a reasonable expectation of long-term duration in the area in which the worker wishes to relocate and which provides wages that are substantially greater than the wages for the employment that is likely to be available to the worker in the area from which the worker would be relocating; and''; and

(3) in subparagraph (E)(ii), by striking '', unless the worker received a waiver under section 231(c)''.

Subtitle C—General Provisions

SEC. 131. AGREEMENTS WITH STATES.

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

(1) in the matter preceding clause (1), by striking ''any State agency'' and inserting ''a State agency'';

(2) in clause (2), to read as follows: ''(2) in accordance with subsections (e) and (f), will afford adversely affected workers testing and assessments, career counseling, referral to training and job search programs, and job placement services, and'';

(3) by striking clause (3); and

(4) by redesignating clause (4) as clause (3).

(b) ADMINISTRATION.—Subsection (e) of such section is amended—

(1) in the first sentence, to read as follows: ''Any agreement entered into under this section shall provide for the administration of the provision for reemployment services, training, and supplemental assistance under sections 235 and 236 of this Act by the same State agency responsible for the administration of the State workforce investment program funded under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) and shall include such terms and conditions as are established by the Secretary in consultation with the States and set forth in such agreement.'';

(2) in the second sentence, by striking ''Any agency'' and inserting ''The agency''; and

(3) by adding at the end the following new sentence: ''The terms and conditions set forth in the agreement shall include at a minimum that—

''(1) adversely affected workers applying for assistance under this chapter shall be co-enrolled in the dislocated worker program authorized under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.); and

''(2) the services provided under this chapter shall be administered through the one-stop delivery system established under title I of such Act (29 U.S.C. 2801 et seq.).''.

(c) COOPERATING STATE AGENCY.—Subsection (f) of such section is amended—

(1) in paragraph (2), by adding ''and'' at the end;

(2) by striking paragraph (3);

(3) by redesignating paragraph (4) as paragraph (3); and

(4) in paragraph (3) (as redesignated by paragraph (3) of this subsection), by striking ''suitable''.

(d) PERFORMANCE ACCOUNTABILITY.—Such section is further amended by adding at the end the following new subsection:

''(h) PERFORMANCE ACCOUNTABILITY.—

''(1) IN GENERAL.—Any agreement entered into under this section shall include performance measures that the cooperating State or State agency is expected to achieve with respect to the program carried out under this chapter. The performance measures shall consist of indicators of performance and levels of performance applicable to each indicator.

''(2) INDICATORS OF PERFORMANCE.—The indicators of performance shall be—

''(A) entry into employment;

''(B) retention in employment;

''(C) average earnings; and

''(D) such other indicators as the Secretary determines are appropriate.

''(3) LEVELS OF PERFORMANCE.—The levels of performance for each State for the indicators of performance described in paragraph (2) shall be determined by the Secretary, after consultation with the State.

''(4) PERFORMANCE REPORTING.—Any agreement shall also include a requirement that the State annually report to the Secretary the level of performance achieved with respect to each indicator under the program carried out under this chapter in the preceding fiscal year, and the State shall submit such additional reports regarding the performance of programs as the Secretary may require. The Secretary shall make the information contained in the annual reports available to the general public through publication on the Website of the Department of Labor and other appropriate methods and shall provide copies of the reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The Secretary shall also publish on the Website of the Department of Labor a list identifying those States that fail to submit reports to the Secretary on a

timely basis or fail to submit accurate reports.''.

SEC. 132. AUTHORIZATION OF APPROPRIATIONS; INCENTIVE PAYMENTS TO STATES.

(a) IN GENERAL.—Subsection (a) of section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking ''December 31, 2007'' and inserting ''September 30, 2012''.

(b) INCENTIVE PAYMENTS TO STATES.—Such section is further amended by adding at the end the following new subsection:

''(c) INCENTIVE PAYMENTS TO STATES.—If, in the last quarter of any fiscal year, the Secretary determines that the amount of funds needed to make payments for the costs of training under this chapter for such fiscal year will not reach the amount of the limitation described in section 236(b)(1)(A) and funds appropriated to make payments for the costs of such training remain available for obligation, the Secretary may use not more than an amount equal to five percent of the amount of the limitation described in such section 236(b)(1)(A) to award funds to States that the Secretary determines have demonstrated exemplary performance in carrying out the program under this chapter with respect to exceeding the performance levels established pursuant to section 239(h) and with respect to such other factors as the Secretary determines appropriate. Such funds shall be available to the States for the purpose of enhancing the administration of the program which may include improvements to management information systems, targeted outreach, staff training, and enhanced services to participants.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—Such section is further amended in the heading by inserting before the period at the end the following: ''**; INCENTIVE PAYMENTS TO STATES**''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1 of the Trade Act of 1974 is amended by striking the item relating to section 245 and inserting the following:

''Sec. 245. Authorization of appropriations; incentive payments to States.''.

SEC. 133. PHASE-OUT OF DEMONSTRATION PROJECT FOR ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE FOR OLDER WORKERS.

Section 246(b)(1) of the Trade Act of 1974 (19 U.S.C. 2318(b)(1)) is amended by striking ''the date that is 5 years after the date under which such program is implemented by the State'' and inserting ''September 30, 2008''.

SEC. 134. WAGE SUPPLEMENT PROGRAM.

(a) IN GENERAL.—Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended by inserting after section 246 the following new section:

''SEC. 246A. WAGE SUPPLEMENT PROGRAM.

''(a) ESTABLISHMENT.—Beginning on October 1, 2008, the Secretary shall establish a program to provide the benefits described in subsection (b) to an adversely affected worker who meets the eligibility criteria described in subsection (c), including the requirement that such worker be employed for the minimum number of hours per week described in subsection (c)(3).

''(b) BENEFITS.—

''(1) AMOUNT OF PAYMENTS.—A State shall use the funds provided to the State under section 241 to pay an hourly wage supplement to an eligible adversely affected worker for a period not to exceed 2 years, in an amount equal to the difference, if any (but not less than zero) resulting from subtracting the amount described in paragraph (2)(B) from the amount described in paragraph (2)(A).

''(2) FACTORS.—(A) For purposes of paragraph (1), the amount described in this subparagraph is the sum of—

''(i) whichever is the highest of—

''(I) the hourly minimum wage that is applicable to a worker under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), or if such worker is exempt under section 13 of such Act (29 U.S.C. 213), the hourly minimum wage that would be applicable if section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) were applied; or

''(II) the applicable State or local hourly minimum wage; and

''(ii) $2.40.

''(B) For purposes of paragraph (1), the amount described in this subparagraph is the hourly wage actually paid to such worker.

''(3) HEALTH INSURANCE ELIGIBILITY.—A worker described in subsection (c) who is participating in the program established under subsection (a) is eligible to receive, for a period not to exceed 2 years, a credit for health insurance costs to the extent provided under section 35 of the Internal Revenue Code of 1986.

''(c) ELIGIBILITY FOR WAGE SUPPLEMENT.—A worker in a group that the Secretary has certified as eligible to apply for adjustment assistance under section 223 may elect to receive the benefits described in subsection (b) if such worker—

''(1) is covered by a certification under subchapter A of this chapter;

''(2) meets the requirements of paragraphs (1) and (2) of section 231(a));

''(3) is employed for an average of at least 30 hours per week, which may include employment as part of an apprenticeship program registered under the National Apprenticeship Act (20 U.S.C. 50 et seq.);

''(4) does not return to the employment from which the worker was separated; and

''(5) has not received any payments under section 246 while covered under the same certification as described in paragraph (1).

''(d) EFFECT ON OTHER BENEFITS.—A worker receiving payments under this section shall not be eligible to receive other benefits under this chapter except for training assistance provided under section 236 (provided that such worker otherwise meets the requirements of section 236) or the assistance described in subsection (b)(3). A worker may receive payments under this section during breaks in training that exceed the period described in section 233(e) if the worker otherwise meets the requirements of this section.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Trade Act of 1974 is amended by inserting after the item relating to section 246 the following:

''Sec. 246A. Wage supplement program.''.

SEC. 135. DEFINITIONS.

Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended by adding at the end the following new paragraphs:

''(18) The term 'comparable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

''(19) The term 'adversely affected incumbent worker' means a worker who is a member of a group of workers who have been certified as eligible to apply for adjustment assistance under subchapter A and who has not been separated from adversely affected employment.''.

SEC. 136. CAPACITY-BUILDING GRANTS TO ENHANCE TRAINING FOR WORKERS.

(a) IN GENERAL.—Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended by adding at the end the following new section:

''SEC. 250. CAPACITY-BUILDING GRANTS TO ENHANCE TRAINING FOR WORKERS.

''(a) IN GENERAL.—The Secretary may award grants to eligible entities described in subsection (b) to temporarily increase the capacity of such entities, through the activities authorized under subsection (c), to provide training to workers as provided for in section 236.

''(b) ELIGIBLE ENTITIES.—An eligible entity referred to in subsection (a) is—

''(1) a community college (as such term is defined in section 202(a)(2) of the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998 (20 U.S.C. 2371(a)(2)) that provides training for occupations in demand; or

''(2) a provider of training for occupations in demand that is eligible to receive funds under section 122 of the Workforce Investment Act of 1998 (29 U.S.C. 2842).

''(c) AUTHORIZED ACTIVITIES.—An eligible entity that is awarded a grant under this section shall utilize funds under the grant to expand available training slots and prepare adversely affected workers and adversely affected incumbent workers under this chapter for occupations in demand by conducting such activities as the Secretary may authorize, including—

''(1) the development of education and training curricula, which may be developed in consultation with employers of incumbent workers, local workforce investment boards (as defined in section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832)), labor organizations that represent individuals currently employed in occupations in demand for the local area, regional economic development agencies, one-stop operators (as defined in section 101(29) of such Act (29 U.S.C. 2801(29)), community-based organizations, or any other public or private entity that is likely to employ or facilitate the employment of adversely affected workers in occupations in demand;

''(2) the hiring of additional faculty and staff;

''(3) the acquisition of new equipment or the upgrading of existing equipment, which shall be necessary to facilitate the teaching of job skills to adversely affected workers and adversely affected incumbent workers; and

''(4) the development of a program to provide on-the-job training experiences for adversely affected workers in coordination with local employers that have committed to employ adversely affected workers following successful completion of the program.

''(d) APPLICATION.—

''(1) REQUESTS FOR APPLICATIONS.—

''(A) BY THE SECRETARY.—In each fiscal year, and at such times as the Secretary may determine, the Secretary may request applications from eligible entities to carry out activities authorized under this section.

''(B) BY AN ELIGIBLE ENTITY.—At any time, and in such form and manner as the Secretary may prescribe, an eligible entity may recommend that the Secretary initiate a request for capacity building grant applications if the eligible entity believes that there has been or will be a sudden and significant shortage of training slots available to adversely affected workers and adversely affected incumbent workers in a local area.

''(2) INFORMATION REQUIRED FOR APPLICATION.—To be eligible to receive a grant under

this section, an applicant shall provide to the Secretary the following information in the application:

''(A) A description of the factors in a local area that have resulted or may result in a significant increase in demand for training slots by adversely affected workers and adversely affected incumbent workers, which may include—

''(i) mass layoffs at firms that are believed to employ a large number of adversely affected workers;

''(ii) imminent closure or relocation of facilities that are believed to employ a large number of adversely affected workers; and

''(iii) prevailing labor market conditions that may have an immediate, measurable adverse employment impact on the employment of adversely affected workers.

''(B) A description of the number of training slots currently available to adversely affected workers and adversely affected incumbent workers, and the number of proposed additional slots to be made available using funds under the grant.

''(C) A description of the potential number of adversely affected workers and adversely affected incumbent workers in the local area who would be able to access increased training slots.

''(D) A description of the commitment made by local employers, labor organizations, and other public or private organizations to assist in the development of training and related curricula for the benefit of adversely affected workers and adversely affected incumbent workers.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2008 through 2012.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Trade Act of 1974 is amended by inserting after the item relating to section 249 the following:

''Sec. 250. Capacity-building grants to enhance training for workers.''.

Subtitle D—Effective Date

SEC. 141. EFFECTIVE DATE.

The amendments made by this title shall take effect beginning 90 days after the date of the enactment of this Act.

TITLE II—OTHER TRADE ADJUSTMENT ASSISTANCE PROGRAMS AND RELATED PROVISIONS

SEC. 201. TECHNICAL ASSISTANCE FOR FIRMS.

Section 253 of the Trade Act of 1974 (19 U.S.C. 2343) is amended by adding at the end the following new subsections:

''(c)(1) Any grant made under subsection (b)(3) shall include performance measures that an intermediary organization is expected to achieve with respect to the program carried out under this chapter. The performance measures shall consist of indicators of performance described in paragraph (2) and levels of performance described in paragraph (3) applicable to each such indicator of performance.

''(2) The indicators of performance referred to in paragraph (1) are the following:

''(A) The extent to which outreach efforts effectively apprise import-impacted firms likely to benefit from the program about resources available under the program.

''(B) The extent to which firms receiving adjustment assistance under section 252 meet or exceed targets to retain or create employment.

''(C) The percentage of workers totally or partially separated from employment that have returned to work or returned to their previous level of employment.

''(D) The extent to which firms receiving adjustment assistance under section 252 meet or exceed targets for maintaining or increasing sales or production.

''(E) Such other indicators of performance as the Secretary may determine are appropriate.

''(3) The levels of performance referred to in paragraph (1) shall be determined by the Secretary, after consultation with the intermediary organization. In reviewing an intermediary organization's levels of performance, the Secretary shall take into consideration economic conditions affecting the region served by the organization that may affect that performance.

''(4)(A) Any grant made under subsection (b)(3) shall also include a requirement that the intermediary organization submit to the Secretary a report on an annual basis on the levels of performance achieved with respect to each indicator of performance under the program carried out under this chapter in the preceding fiscal year, and such additional reports regarding such indicators of performance as the Secretary may require.

''(B) The Secretary shall make the information contained in the reports described in subparagraph (A) available to the general public through publication on the Website of the Economic Development Administration and other appropriate methods. The Secretary shall provide copies of the reports described in subparagraph (A) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

''(C) The Secretary shall also publish on the Website of the Economic Development Administration a list that identifies those intermediary organizations that fail to submit reports to the Secretary in accordance with subparagraph (A) on a timely basis or fail to submit accurate reports to the Secretary in accordance with subparagraph (A).

''(d) At least once every three years, the Secretary shall provide for an independent evaluation of each intermediary organization receiving assistance under this section to assess the intermediary organization's performance and contribution toward retention and creation of employment. The purpose of the evaluations shall be to determine which intermediary organizations are performing well and merit continued assistance under this section and which intermediary organizations should not receive continued assistance under this section, so that other universities and intermediary organizations that have not previously received assistance under this section may participate in the program carried out under this chapter.''.

SEC. 202. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.

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

(1) by striking ''and $4,000,000'' and inserting ''$4,000,000''; and

(2) by inserting after ''October 1, 2007,'' the following: ''$15,000,000 for the 9-month period beginning on January 1, 2008, and $19,000,000 for each of the fiscal years 2009 through 2012,''.

SEC. 203. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

Section 298(a) of the Trade Act of 1974 (19 U.S.C. 2401g(a)) is amended by adding at the end the following new sentence: ''There are authorized to be appropriated to the Department of Agriculture to carry out this chapter $81,000,000 for the 9-month period beginning on January 1, 2008, and $90,000,000 for each of the fiscal years 2009 through 2012.''.

SEC. 204. JUDICIAL REVIEW.

(a) IN GENERAL.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended in the first sentence—

(1) by striking ''or authorized representative'' and inserting ''or other duly authorized representative'';

(2) by striking ''aggrieved'' and inserting '', or any of the individuals or entities described in section 221(a)(1)(C), aggrieved (or on behalf of such workers aggrieved)''; and

(3) by striking ''section 223'' and inserting ''section 226''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect beginning 90 days after the date of the enactment of this Act.

SEC. 205. TERMINATION.

Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by striking ''December 31, 2007'' each place it appears and inserting ''September 30, 2012''.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. CREDIT REDUCTION FOR FAILURES RELATING TO CO-ENROLLMENT OF PARTICIPANTS AND PROGRAM PERFORMANCE REPORTS.

(a) IN GENERAL.—Paragraph (3) of section 3302(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''(3) If'' and inserting ''(3)(A) Except as provided in subparagraph (B), if'',

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and

(3) by adding at the end the following new subparagraph:

''(B) If the Secretary of Labor determines that a State, or State agency, failed to meet the requirements of subsections (e)(1) (relating to the co-enrollment of participants) or (h)(3) (relating to the submission of reports on program performance) of section 239 of the Trade Act of 1974, the Secretary of Labor may direct that, in the case of a taxpayer subject to the unemployment compensation law of such State, the total credits (after applying subsections (a) and (b) and paragraphs (1) and (2) of this section) otherwise allowable under this section for a year during which such State or agency fails to meet those requirements shall (in lieu of reduction under subparagraph (A)) be reduced by 3 percent of the tax imposed with respect to wages paid by such taxpayer during such year which are attributable to such State.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after September 30, 2008.

SEC. 302. TAA WAGE SUPPLEMENT PARTICIPANTS ELIGIBILITY FOR CREDIT FOR HEALTH INSURANCE COSTS.

(a) ELIGIBILITY.—Paragraph (1) of section 35(c) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'' , and by adding after subparagraph (C) the following:

''(D) an eligible TAA wage supplement recipient.''.

(b) ELIGIBLE TAA WAGE SUPPLEMENT RECIPIENT DEFINED.—Subsection (c) of section 35 of such Code is amended by adding after paragraph (4) the following:

''(5) ELIGIBLE TAA WAGE SUPPLEMENT RECIPIENT.—The term 'eligible TAA wage supplement recipient' means, with respect to any month, any individual who—

''(A) is a worker described in section 246A(c) of the Trade Act of 1974 who is participating in the wage supplement program established under section 246A(a) of such Act, and

''(B) is receiving a benefit for such month under section 246A(b) of such Act.

An individual shall continue to be treated as an eligible TAA wage supplement recipient during the first month that such individual would otherwise cease to be an eligible TAA wage supplement recipient by reason of the preceding sentence.''.

(c) QUALIFIED HEALTH INSURANCE.—Subparagraph (J) of section 35(e)(1) of such Code is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'' , and by inserting after clause (iii) the following:

''(iv) in the case of an eligible TAA wage supplement recipient, the benefit described in subsection (c)(5)(B).''.

(d) SUBSIDIZED COVERAGE.—Subparagraph (B) of section 35(f)(1) of such Code is amended—

(1) by inserting ''or an eligible TAA wage supplement recipient'' after ''eligible alternative TAA recipient'' in the matter preceding clause (i), and

(2) by inserting ''OR ELIGIBLE TAA WAGE SUPPLEMENT RECIPIENTS'' after ''ELIGIBLE ALTERNATIVE TAA RECIPIENTS'' in the heading.

(e) ADVANCE PAYMENT OF HCTC.—Paragraph (1) of section 7527(d) of such Code is amended by striking ''or an eligible alternative TAA recipient (as defined in section 35(c)(3))'' and inserting '', an eligible alternative TAA recipient (as defined in section 35(c)(3)), or an eligible TAA wage supplement recipient (as defined in section 35(c)(5))''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 303. SPECIAL ALLOCATION UNDER NEW MARKETS TAX CREDIT IN CONNECTION WITH TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Section 45D of the Internal Revenue Code of 1986 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) SPECIAL ALLOCATIONS IN CONNECTION WITH TRADE ADJUSTMENT ASSISTANCE.—

''(1) ALLOCATIONS.—The new markets tax credit limitation otherwise determined under subsection (f)(1) shall be increased by an amount equal to $500,000,000 for 2008 to be allocated among qualified community development entities to make capital or equity investments in, or loans to, qualified TAA businesses.

''(2) RESTRICTION ON DESIGNATION.—A qualified community development entity receiving an allocation under paragraph (1) may not use such allocation to designate any qualified equity investment under subsection (b)(1)(C) unless substantially all of such investment is used for the purpose described in paragraph (1).

''(3) QUALIFIED TAA BUSINESSES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified TAA business' means, with respect to any taxable year—

''(i) any qualified active low-income community business (as defined in subsection (d)(2)) which meets the requirements of clause (i) or (ii) of subparagraph (B) for such taxable year, and

''(ii) any specified TAA business.

''(B) SPECIFIED TAA BUSINESS.—The term 'specified TAA business' means, with respect to any taxable year, any corporation (including a nonprofit corporation) or partnership if—

''(i) not less than 40 percent of the individuals hired by such entity during such taxable year were eligible TAA recipients (as defined in section 35(c)(2)) or eligible alternative TAA recipients (as defined in section 35(c)(3)) with respect to any month beginning during the 1-year period ending on the hiring date (as defined in section 51(d)) of such individual,

''(ii) such entity is certified by the Secretary of Commerce as eligible to apply for adjustment assistance under chapter 3 of title II of the Trade Act of 1974 with respect to any portion of the taxable year in which the investment or loan referred to in paragraph (1) is made, and

''(iii) the Secretary determines that such entity will utilize the assistance provided pursuant to this section in a manner consistent with the purposes of subsection (d)(2)(A).

The requirement of clause (i) shall be treated as satisfied for any taxable year if such clause would be satisfied if all individuals hired by such entity during such taxable year and all preceding taxable years which are not before the taxable year in which the investment or loan referred to in paragraph (1) was made were taken into account.

''(4) REALLOCATIONS.—Subsection (f)(3) shall be applied separately with respect to the amount of the increase under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to allocations made after December 31, 2007.

SEC. 304. EXPEDITED REEMPLOYMENT DEMONSTRATION PROJECTS.

Title III of the Social Security Act (42 U.S.C. 501 and following) is amended by adding at the end the following:

''DEMONSTRATION PROJECTS

''SEC. 305. (a) The Secretary of Labor may enter into agreements, with States submitting an application described in subsection (b), for the purpose of allowing such States to conduct demonstration projects to test and evaluate measures designed—

''(1) to expedite, such as through the use of a wage insurance program, the reemployment of individuals who establish initial eligibility for unemployment compensation under the State law of such State; or

''(2) to improve the effectiveness of such State in carrying out its State law.

''(b) The Governor of any State desiring to conduct a demonstration project under this section shall submit an application to the Secretary of Labor at such time, in such manner, and including such information as the Secretary of Labor may require. Any such application shall, at a minimum, include—

''(1) a general description of the proposed demonstration project, including the authority (under the laws of the State) for the measures to be tested, as well as the period of time during which such demonstration project would be conducted;

''(2) if a waiver under subsection (c) is requested, the specific aspects of the project to which the waiver would apply and the reasons why such waiver is needed;

''(3) a description of the goals and the expected programmatic outcomes of the demonstration project, including how the project would contribute to the objective described in subsection (a)(1), subsection (a)(2), or both;

''(4) assurances (accompanied by supporting analysis) that the demonstration project would not result in any increased net costs to the State's account in the Unemployment Trust Fund;

''(5) a description of the manner in which the State—

''(A) will conduct an impact evaluation, using a control or comparison group or other valid methodology, of the demonstration project; and

''(B) will determine the extent to which the goals and outcomes described in paragraph (3) were achieved; and

''(6) assurances that the State will provide any reports relating to the demonstration project, after its approval, as the Secretary of Labor may require.

''(c) The Secretary of Labor may waive any of the requirements of section 3304(a)(4) of the Internal Revenue Code of 1986 or of paragraph (1) or (5) of section 303(a), to the extent and for the period the Secretary of Labor considers necessary to enable the State to carry out a demonstration project under this section.

''(d) A demonstration project under this section—

''(1) may be commenced any time after September 30, 2007; and

''(2) may not, under subsection (b), be approved for a period of time greater than 2 years, subject to extension upon request of the Governor of the State involved for such additional period as the Secretary of Labor may agree to, except that in no event may a demonstration project under this section be conducted after the end of the 5-year period beginning on the date of the enactment of this section.

''(e) The Secretary of Labor shall, in the case of any State for which an application is submitted under subsection (b)—

''(1) notify the State as to whether such application has been approved or denied within 90 days after receipt of a complete application, and

''(2) provide public notice of the decision within 10 days after providing notification to the State in accordance with paragraph (1).

Public notice under paragraph (2) may be provided through the Internet or other appropriate means. Any application under this section that has not been approved within such 90 days shall be treated as denied.

''(f) The Secretary of Labor may terminate a demonstration project under this section if the Secretary determines that the State has not complied with the terms and conditions of the project.''.

SEC. 305. INCREASE IN PERCENTAGE OF TAA AND PBGC HEALTH INSURANCE TAX CREDIT.

(a) IN GENERAL.—Subsection (a) of section 35 of the Internal Revenue Code of 1986 is amended by striking ''65 percent'' and inserting ''70 percent''.

(b) CONFORMING AMENDMENT.—Subsection (b) of section 7527 of such Code is amended by striking ''65 percent'' and inserting ''70 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2007, in taxable years ending after such date.

SEC. 306. COLLECTION OF UNEMPLOYMENT COMPENSATION DEBTS.

(a) IN GENERAL.—Section 6402 of the Internal Revenue Code (relating to authority to make credits or refunds) is amended by redesignating subsections (f) through (k) as subsections (g) through (l), respectively, and by inserting after subsection (e) the following new subsection:

''(f) COLLECTION OF UNEMPLOYMENT COMPENSATION DEBTS.—

''(1) IN GENERAL.—Upon receiving notice from any State that a named person owes a covered unemployment compensation debt to such State, the Secretary shall, under such conditions as may be prescribed by the Secretary—

''(A) reduce the amount of any overpayment payable to such person by the amount

of such covered unemployment compensation debt;

''(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State and notify such State of such person's name, taxpayer identification number, address, and the amount collected; and

''(C) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a covered unemployment compensation debt.

If an offset is made pursuant to a joint return, the notice under subparagraph (B) shall include the names, taxpayer identification numbers, and addresses of each person filing such return and the notice under subparagraph (C) shall include information related to the rights of a spouse of a person subject to such an offset.

''(2) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection—

''(A) after such overpayment is reduced pursuant to—

''(i) subsection (a) with respect to any liability for any internal revenue tax on the part of the person who made the overpayment;

''(ii) subsection (c) with respect to past-due support; and

''(iii) subsection (d) with respect to any past-due, legally enforceable debt owed to a Federal agency; and

''(B) before such overpayment is credited to the future liability for any Federal internal revenue tax of such person pursuant to subsection (b).

If the Secretary receives notice from a State or States of more than one debt subject to paragraph (1) or subsection (e) that is owed by a person to such State or States, any overpayment by such person shall be applied against such debts in the order in which such debts accrued.

''(3) NOTICE; CONSIDERATION OF EVIDENCE.—No State may take action under this subsection until such State—

''(A) notifies the person owing the covered unemployment compensation debt that the State proposes to take action pursuant to this section;

''(B) provides such person at least 60 days to present evidence that all or part of such liability is not legally enforceable;

''(C) considers any evidence presented by such person and determines that an amount of such debt is legally enforceable; and

''(D) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such covered unemployment compensation debt.

''(4) COVERED UNEMPLOYMENT COMPENSATION DEBT.—For purposes of this subsection, the term 'covered unemployment compensation debt' means—

''(A) a past-due debt for erroneous payment of unemployment compensation which has become final under the law of a State certified by the Secretary of Labor pursuant to section 3304 and which remains uncollected;

''(B) contributions due to the unemployment fund of a State for which the State has determined the person to be liable; and

''(C) any penalties and interest assessed on such debt.

''(5) REGULATIONS.—

''(A) IN GENERAL.—The Secretary may issue regulations prescribing the time and manner in which States must submit notices of covered unemployment compensation debt and the necessary information that must be contained in or accompany such notices. The regulations may specify the minimum amount of debt to which the reduction procedure established by paragraph (1) may be applied.

''(B) FEE PAYABLE TO SECRETARY.—The regulations may require States to pay a fee to the Secretary, which may be deducted from amounts collected, to reimburse the Secretary for the cost of applying such procedure. Any fee paid to the Secretary pursuant to the preceding sentence shall be used to reimburse appropriations which bore all or part of the cost of applying such procedure.

''(C) SUBMISSION OF NOTICES THROUGH SECRETARY OF LABOR.—The regulations may include a requirement that States submit notices of covered unemployment compensation debt to the Secretary via the Secretary of Labor in accordance with procedures established by the Secretary of Labor. Such procedures may require States to pay a fee to the Secretary of Labor to reimburse the Secretary of Labor for the costs of applying this subsection. Any such fee shall be established in consultation with the Secretary of the Treasury. Any fee paid to the Secretary of Labor may be deducted from amounts collected and shall be used to reimburse the appropriation account which bore all or part of the cost of applying this subsection.

''(6) ERRONEOUS PAYMENT TO STATE.—Any State receiving notice from the Secretary that an erroneous payment has been made to such State under paragraph (1) shall pay promptly to the Secretary, in accordance with such regulations as the Secretary may prescribe, an amount equal to the amount of such erroneous payment (without regard to whether any other amounts payable to such State under such paragraph have been paid to such State).''.

(b) DISCLOSURE OF CERTAIN INFORMATION TO STATES REQUESTING REFUND OFFSETS FOR LEGALLY ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION DEBT.—

(1) GENERAL RULE.—Paragraph (3) of section 6103(a) of such Code is amended by inserting ''(10),'' after ''(6),''.

(2) DISCLOSURE TO DEPARTMENT OF LABOR AND ITS AGENT.—Paragraph (10) of section 6103(l) of such Code is amended—

(A) by striking ''(c), (d), or (e)'' each place it appears in the heading and text and inserting ''(c), (d), (e), or (f)'',

(B) in subparagraph (A) by inserting '', to officers and employees of the Department of Labor and its agent for purposes of facilitating the exchange of data in connection with a request made under subsection (f)(5) of section 6402,'' after ''section 6402'', and

(C) in subparagraph (B) by inserting '', and any agents of the Department of Labor,'' after ''agency'' the first place it appears.

(3) SAFEGUARDS.—Paragraph (4) of section 6103(p) of such Code is amended—

(A) in the matter preceding subparagraph (A), by striking ''(l)(16),'' and inserting ''(l)(10), (16),'';

(B) in subparagraph (F)(i), by striking ''(l)(16),'' and inserting ''(l)(10), (16),''; and

(C) In the matter following subparagraph (f)(iii)—

(i) in each of the first two places it appears, by striking ''(l)(16),'' and inserting ''(l)(10), (16),'';

(ii) by inserting ''(10),'' after ''paragraph (6)(A),''; and

(iii) in each of the last two places it appears, by striking ''(l)(16)'' and inserting ''(l)(10) or (16)''.

(c) EXPENDITURES FROM STATE FUND.—Section 3304(a)(4) of such Code is amended—

(1) in subparagraph (E), by striking ''and'' after the semicolon;

(2) in subparagraph (F), by inserting ''and'' after the semicolon; and

(3) by adding at the end the following new subparagraph:

''(G) WITH RESPECT TO AMOUNTS OF COVERED UNEMPLOYMENT COMPENSATION DEBT (AS DEFINED IN SECTION 6402(F)(4)) COLLECTED UNDER SECTION 6402(F).—

''(i) amounts may be deducted to pay any fees authorized under such section; and

''(ii) the penalties and interest described in section 6402(f)(4)(B) may be transferred to the appropriate State fund into which the State would have deposited such amounts had the person owing the debt paid such amounts directly to the State;''.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 6402 of such Code is amended by striking ''(c), (d), and (e),'' and inserting ''(c), (d), (e), and (f)''.

(2) Paragraph (2) of section 6402(d) of such Code is amended by striking ''and before such overpayment is reduced pursuant to subsection (e)'' and inserting ''and before such overpayment is reduced pursuant to subsections (e) and (f)''.

(3) Paragraph (3) of section 6402(e) of such Code is amended in the last sentence by inserting ''or subsection (f)'' after ''paragraph (1)''.

(4) Subsection (g) of section 6402 of such Code, as redesignated by subsection (a), is amended by striking ''(c), (d), or (e)'' and inserting ''(c), (d), (e), or (f)''.

(5) Subsection (i) of section 6402 of such Code, as redesignated by subsection (a), is amended by striking ''subsection (c) or (e)'' and inserting ''subsection (c), (e), or (f)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable under section 6402 of the Internal Revenue Code of 1986 on or after the date of enactment of this Act.

SEC. 307. OFFSETS.

(a) TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.—Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''115 percent'' and inserting ''127.50 percent''.

(b) CUSTOMS USER FEES.—Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(A)) is amended by striking ''October 21, 2014'' and inserting ''February 17, 2015''.

(c) TIMEFRAME FOR MEDICARE PART A AND B PAYMENTS.—Notwithstanding sections 1816(c) and 1842(c)(2) of the Social Security Act or any other provision of law—

(1) any payment from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) or from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t) for claims submitted under part A or B of title XVIII of such Act for items and services furnished under such part A or B, respectively, that would otherwise be payable during the period beginning on September 22, 2012, and ending on September 30, 2012, shall be paid on the first business day of October 2012; and

(2) no interest or late penalty shall be paid to an entity or individual for any delay in a payment by reason of the application of paragraph (1).

TITLE IV—WORKFORCE INVESTMENT IMPROVEMENT

SEC. 401. SHORT TITLE.

This title may be cited as the ''Workforce Investment Improvement Act of 2007''.

SEC. 402. REFERENCES.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment

to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.).

Subtitle A—Amendments to Title I of the Workforce Investment Act of 1998

SEC. 411. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by striking paragraphs (13) and (24) and redesignating paragraphs (1) through (12) as paragraphs (3) through (14), and paragraphs (14) through (23) as paragraphs (15) through (24), respectively;

(2) by inserting after ''In this title:'' the following new paragraphs:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, subcontractors, and other payees; and other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

''(2) ADMINISTRATIVE COSTS.—The term 'administrative costs' means expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitle D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.'';

(3) in paragraph (6) (as so redesignated), by inserting ''(or such other level as the Governor may establish)'' after ''8th grade level'';

(4) in paragraph (10)(C) (as so redesignated), by striking ''not less than 50 percent of the cost of the training'' and inserting ''a significant portion of the cost of training, as determined by the local board (or, in the case of an employer in multiple local areas in the State, as determined by the Governor), taking into account the size of the employer and such other factors as the local board determines to be appropriate''; and

(5) in paragraph (11) (as so redesignated)—

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (B)(iii), by striking ''intensive services described in section 134(d)(3)'' and inserting ''work ready services described in section 134(c)(3)(M) through (U)'';

(C) in subparagraph (C), by striking ''or'' after the semicolon;

(D) in subparagraph (D), by striking the period and inserting ''; or''; and

(E) by adding at the end the following:

''(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

''(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).'';

(6) in paragraph (12)(A) (as redesignated)—

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

''(ii) is the dependent spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and'';

(7) in paragraph (13) (as so redesignated), by inserting ''or regional'' after ''local'' each place it appears;

(8) in paragraph (14) (as so redesignated)—

(A) in subparagraph (A), by striking ''section 122(e)(3)'' and inserting ''section 122''; and

(B) by striking subparagraph (B), and inserting the following:

''(B) work ready services, means a provider who is identified or awarded a contract as described in section 134(c)(3);''.

(9) in paragraph (25)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through clause (ii) and inserting ''poverty line for an equivalent period;''; and

(B) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively, and inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);'';

(10) in paragraph (32) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia,''; and

(11) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (33) through (52), respectively.

SEC. 412. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: ''It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in obtaining training services that will increase their skills and improve their employment outcomes.''.

SEC. 413. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) by amending paragraph (1)(C) to read as follows:

''(C) representatives appointed by the Governor, who are—

''(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

''(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

''(III) if not included under subclause (I), the director of the State unit, defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)) except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

''(ii) the State agency officials responsible for economic development;

''(iii) representatives of business in the State who—

''(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations and business trade associations;

''(iv) chief elected officials (representing both cities and counties, where appropriate);

''(v) one or more representatives of labor organizations, who have been nominated by State labor federations or labor organizations within the State; and

''(vi) such other representatives and State agency officials as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C. 2811(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2811(d)) is amended—

(1) in paragraph (2), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(2) by amending paragraph (3) to read as follows:

''(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121 within the State, including—

''(A) the development of objective criteria and procedures for, and the issuance of, certifications of one-stop centers;

''(B) the criteria for the allocation of one-stop center infrastructure funding under section 121(h), and oversight of the use of such funds;

''(C) policies relating to the appropriate roles and contributions of one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in the one-stop delivery system, consistent with section 121;

''(D) strategies for providing effective outreach to individuals and employers who could benefit from services provided through the one-stop delivery system; and

''(E) strategies for technology improvements to facilitate access to services provided through the one-stop delivery system, in remote areas, and for individuals with disabilities, which may be utilized throughout the State;

''(F) identification and dissemination of information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies, including for hard-to-serve populations; and

''(G) carrying out of such other matters as may promote statewide objectives for, and enhance the performance of, the one-stop delivery system;'';

(3) in paragraph (4), by inserting ''and the development of State criteria relating to the

appointment and certification of local boards under section 117'' after ''section 116'';

(4) in paragraph (5), by striking ''128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)''; and

(5) in paragraph (8)—

(A) by striking ''employment statistics system'' and inserting ''workforce and labor market information system''; and

(B) by striking ''and'' after the semicolon;

(6) in paragraph (9)—

(A) by striking ''section 503'' and inserting ''section 136(i)''; and

(B) by striking the period and inserting ''; and''; and

(7) by inserting the following new paragraph after paragraph (9):

''(10) reviewing and providing comment on the State plans of all one-stop partner programs, where applicable, in order to provide effective strategic leadership in the development of a high-quality, comprehensive statewide workforce investment system.''.

(c) ELIMINATION OF ALTERNATIVE ENTITY AND PROVISION OF AUTHORITY TO HIRE STAFF.—Section 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

''(e) AUTHORITY TO HIRE STAFF.—The State board may hire staff to assist in carrying out the functions described in subsection (d).''.

(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29 U.S.C. 2821(f)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(e) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C. 2821(g)) is amended—

(1) by inserting '', and modifications to the State plan,'' after ''State plan'' ; and

(2) by inserting '', and modifications to the State plan'' after ''the plan''.

SEC. 414. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended by striking ''5-year strategy'' and inserting ''2-year strategy''.

(b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b)) is amended—

(1) by amending paragraph (7) to read as follows:

''(7) a description of the State criteria for determining the eligibility of training providers in accordance with section 122, including how the State will take into account the performance of providers and whether the training programs relate to occupations that are in demand;'';

(2) in paragraph (8)—

(A) in subparagraph (A)—

(i) in clause (ix), by striking ''and'' after the semicolon;

(ii) by adding the following new clause after clause (x):

''(xi) programs authorized under title II of the Social Security Act (42 U.S.C. 401 et seq.) (related to Federal old-age, survivors, and disability insurance benefits), title XVI of such Act (42 U.S.C. 1381 et seq.) (relating to supplemental security income), title XIX of such Act (42 U.S.C. 1396 et seq.) (relating to Medicaid), and title XX of such Act (42 U.S.C. 1397 et seq.) (relating to block grants to States for social services), programs authorized under title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.), and programs carried out by State agencies relating to mental retardation and developmental disabilities; and'';

(B) by amending subparagraph (B) to read as follows:

''(B) a description of common data collection and reporting processes used for the programs and activities described in subparagraph (A) that are one-stop partners, including assurances that such processes utilize quarterly wage records for performance measures relating to entry into employment, retention in employment, and average earnings that are applicable to such programs or activities, or, if such records are not being used, an identification of the barriers to such use and a description of how the State will address such barriers within one year of the approval of the plan;''; and

(3) in paragraph (11), by inserting '', including controls and procedures to ensure that the limitations on the costs of administration are not exceeded''.

(4) in paragraph (12)(A), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)'';

(5) in paragraph (14), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(6) in paragraph (17)(A)—

(A) in clause (iii) by striking ''and'';

(B) by amending clause (iv) to read as follows:

''(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low income individuals (including recipients of public assistance), individuals with limited English proficiency, homeless individuals, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals); and''; and

(C) by inserting after clause (iv) the following:

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures established under section 136, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and'';

(7) in paragraph (17)(B), by striking ''to the extent practicable'' and inserting ''in accordance with the requirements of the Jobs for Veterans Act (PL 107–288)'';

(8) in paragraph (18)(D), by striking ''youth opportunity grants'' and inserting ''youth challenge grants''; and

(9) by adding at the end the following new paragraphs:

''(19) a description of the process and methodology for determining one-stop partner program contributions for the cost of the infrastructure of one-stop centers under section 121(h)(1) and of the formula for allocating such infrastructure funds to local areas under section 121(h)(3);

''(20) a description of the strategies and programs providing outreach to businesses, identifying workforce needs of businesses in the State, and ensuring that such needs will be met (including the needs of small businesses), which may include—

''(A) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

''(B) providing incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment, economic development, and postsecondary education and training efforts to contribute to the economic well-being of the local area and region, as determined appropriate by the local board;

''(21) a description of how the State will utilize technology to facilitate access to services in remote areas which may be utilized throughout the State;

''(22) a description of the State strategy and assistance to be provided for encouraging regional cooperation within the State and across State borders as appropriate; and

''(23) a description of the actions that will be taken by the State to foster communication and partnerships with non-profit organizations (including community, faith-based, and philanthropic organizations) that provide employment-related, training, and complementary services, in order to enhance the quality and comprehensiveness of services available to participants under this title.''.

(c) MODIFICATION TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended by striking ''5-year period'' and inserting ''2-year period''.

SEC. 415. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1)(B) (29 U.S.C. 2831(a)(1)(B)) is amended by adding at the end the following clause:

''(vi) The extent to which such local areas will promote efficiency in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph and subsection (b), the Governor shall approve a request for designation as a local area from—

''(i) any unit of general local government with a population of 500,000 or more; and

''(ii) an area served by a rural concentrated employment program grant recipient that served as a service delivery area or substate area under the Job Training Partnership Act (29 U.S.C. 1501 et seq.),

for the 2-year period covered by a State plan under section 112 if such request is made not later than the date of the submission of the State plan.

''(B) CONTINUED DESIGNATION BASED ON PERFORMANCE.—The Governor may deny a request for designation submitted pursuant to subparagraph (A) if such unit of government was designated as a local area for the preceding 2-year period covered by a State plan and the Governor determines that such local area did not perform successfully during such period.''.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

''(b) SINGLE LOCAL AREA STATES.—

''(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a), the Governor of any State that was a single local area for purposes of this title as of July 1, 2007, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

''(2) NEW DESIGNATION.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the

State, no local area meeting the requirements for automatic designation under subsection (a) requests such designation as a separate local area.

''(3) EFFECT ON LOCAL PLAN.—In any case in which the local area is the State pursuant to this subsection, the local plan under section 118 shall be submitted to the Secretary for approval as part of the State plan under section 112.''.

(c) REGIONAL PLANNING.—Section 116(c)(1) (29 U.S.C. 2831(c)(1)) is amended by adding at the end the following: ''The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.''.

SEC. 416. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b)(2) (29 U.S.C. 2832(b)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)(II), by inserting '', businesses that are in the leading industries in the local area, and large and small businesses in the local area'' after ''local area'';

(B) by amending clause (ii) to read as follows:

''(ii) a superintendent of the local secondary school system and the president or chief executive officer of a postsecondary educational institution serving the local area (including community colleges, where such entities exist);'';

(C) in clause (iii)—

(i) by striking ''representatives'' and inserting ''one or more representatives''; and

(ii) by inserting ''or by labor organizations in the local area'' after ''federations'';

(D) in clause (iv)—

(i) by striking ''representatives'' and inserting ''one or more representatives''; and

(ii) by striking the semicolon and inserting ''and faith-based organizations; and'';

(E) in clause (v) by inserting ''one or more'' before ''representatives''; and

(F) by striking clause (vi); and

(2) in subparagraph (B), by striking the period and inserting ''; and''; and

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

''(C) except for the individuals described in subparagraph(A)(ii), shall not include any individual who is employed by an entity receiving funds for the provision of services under chapters 4 or 5.''.

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b) is amended—

(1) in the heading, by inserting ''**AND REPRESENTATION**'' after ''**MEMBERS**''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (2)(B), by striking ''by awarding grants'' and all that follows through ''youth council'';

(2) by striking paragraph (2)(D) and inserting the following:

''(D) IDENTIFICATION OF ELIGIBLE PROVIDERS OF WORK READY SERVICES.—If the one-stop operator does not provide the work ready services described in section 134(c)(3)(M) through (U) in the local area, the local board shall identify eligible providers of such services in the local area by awarding contracts.'';

(3) in paragraph (3)(B) by striking clause (ii) and inserting the following:

''(ii) STAFF.—The local board may employ staff to assist in carrying out the functions described in this subsection.'';

(4) in paragraph (4) by inserting '', and ensure the appropriate use and management of the funds provided under this title for such programs, activities, and system'' after ''area'';

(5) in paragraph (6)—

(A) by striking ''EMPLOYMENT STATISTICS SYSTEM'' and inserting ''WORKFORCE AND LABOR MARKET INFORMATION SYSTEM''; and

(B) by striking ''employment statistics system'' and inserting ''workforce and labor market information system'';

(6) by amending paragraph (8) to read as follows:

''(8) CONVENING, BROKERING, AND LEVERAGING.—The local board shall support a comprehensive workforce investment system for the local area and promote the participation by private sector employers, service providers, and other stakeholders in such system. The Board shall ensure the effective provision, through the system, of convening, brokering, and leveraging activities, through intermediaries such as the one-stop operator in the local area or through other organizations, to assist such employers in meeting hiring needs. Such activities may include—

''(A) convening private sector employers, including small employers, labor, economic development, and education leaders in the area to align system missions and services, and to identify and meet the employment, education, and skills training needs of the local area in support of regional and local economic growth strategies;

''(B) providing leadership in the design and implementation of a comprehensive workforce development system that extends beyond those programs authorized under title I of this Act (including programs identified in section 121(b)) for the local area;

''(C) brokering relationships and service arrangements across system stakeholders and partners; and

''(D) leveraging resources other than those provided under title I of this Act, including public and private resources, to significantly expand resources available for employment and training activities identified as necessary in the local area.'';

(7) by adding at the end the following:

''(9) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services, in remote areas, for services authorized under this subtitle and carried out in the local area.''.

(d) LIMITATIONS.—Section 117(f) (29 U.S.C. 2832(f)) is amended by striking paragraph (2) and inserting the following:

''(2) WORK READY SERVICES, DESIGNATION, OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide work ready services described in section (c)(d)(2) through a one-stop delivery system described in section 121 or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.''.

(e) CONFLICT OF INTEREST.—Section 117(g)(1) (29 U.S.C. 2832(g)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(f) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) ESTABLISHMENT OF COUNCILS.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system, a youth council composed of experts and stakeholders in youth programs to advise the local board on activities for youth, and such other councils as the local board determines are appropriate.''.

(g) REPEAL OF ALTERNATIVE ENTITY PROVISION.—Section 117 (29 U.S.C. 2832) is further amended by striking subsection (i).

SEC. 417. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended by striking ''5-year'' and inserting ''2-year''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) by amending paragraph (2) to read as follows:

''(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers and participants;'';

(2) in paragraph (4)—

(A) by striking ''and dislocated worker''; and

(B) by inserting before the semicolon '', including a description of how the local area will implement the requirements of section 134(c)(4)(G) relating to ensuring that training services are linked to occupations that are in demand'';

(3) in paragraph (5), by striking ''statewide rapid response activities'' and inserting ''statewide activities'';

(4) in paragraph (9), by striking ''; and'' and inserting a semicolon; and

(5) by redesignating paragraph (10) as paragraph (13) and inserting after paragraph (9) the following:

''(10) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well-being of the local area, as determined appropriate by the local board, consistent with the objectives of this title;

''(11) a description of how the local board will facilitate access to services provided through the one-stop delivery system involved in remote areas, including facilitating access through the use of technology;

''(12) how the local area will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 *note*) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, the training of staff, and other aspects of accessibility to program services, consistent with sections 504 and 508 of the Rehabilitation Act of 1973; and''.

SEC. 418. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) by striking subparagraph (A) and inserting the following:

''(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries

out a program or activities described in subparagraph (B) shall—

''(i) provide access through the one-stop delivery system to the programs and activities carried out by the entity, including making the work ready services described in section 134(d)(2) that are applicable to the program of the entity available at the one-stop centers (in addition to any other appropriate locations);

''(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop system that meets the requirements of subsection (c);

''(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

''(v) provide representation on the State board to the extent provided under section 111.'';

(B) in subparagraph (B)—

(i) by striking clauses (ii) and (v);

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking ''and'' at the end;

(iv) in clause (x) (as so redesignated), by striking the period and inserting ''; and''; and

(v) by inserting after clause (x)(as so redesignated) the following:

''(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C); and

''(xii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), subject to subparagraph (C).''; and

(C) by adding after subparagraph (B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—The program referred to in clauses (xi) and (xii) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services (in the case of the program referred to in clause (xi) of subparagraph (B)), or the Secretary and the Secretary of Agriculture (in the case of the program referred to in clause (xii) of subparagraph (B)) in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.''.

(2) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended to read as follows:

''(B) PROGRAMS.—The programs referred to in subparagraph (A) may include—

''(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(ii) employment and training programs carried out by the Small Business Administration;

''(iii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement);

''(iv) employment, training, and literacy services carried out by public libraries;

''(v) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers;

''(vi) programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 1250 et seq.);

''(vii) cooperative extension programs carried out by the Department of Agriculture; and

''(viii) other appropriate Federal, State, or local programs, including programs in the private sector.''.

(b) LOCAL MEMORANDUM OF UNDERSTANDING.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities; and

''(iv) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 2-year period to ensure appropriate funding and delivery of services; and''.

(c) PROVISION OF SERVICES.—Subtitle B of title I is amended—

(1) in section 121(d)(2), by striking ''section 134(c)'' and inserting ''subsection (e)'';

(2) by striking subsection (e) of section 121;

(3) by moving subsection (c) of section 134 from section 134, redesignating such subsection as subsection (e), and inserting such subsection (as so redesignated) after subsection (d) of section 121; and

(4) by amending subsection (e) of section 121 (as moved and redesignated by paragraph (3))—

(A) in paragraph (1)(A), by striking ''core services described in subsection (d)(2)'' and inserting ''work ready services described in section 134(c)(2)'';

(B) in paragraph (1)(B)—

(i) by striking ''intensive services'';

(ii) by striking ''paragraphs (3) and (4) of subsection (d)'' and inserting ''section 134(c)(4)'';

(iii) by striking ''individual training accounts'' and inserting ''career enhancement accounts''; and

(iv) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(c)(4)(G)'';

(C) in paragraph (1)(C), by striking ''subsection (e)'' and inserting ''section 134(d)'';

(D) in paragraph (1)(D), by striking ''section 121(b)'' and inserting ''subsection (b)'';

(E) by amending paragraph (1)(E) to read as follows:

''(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491–2(e)).''; and

(F) in paragraph (2)(B)(ii)(II), by striking ''core services'' and inserting ''work ready services''.

(d) CERTIFICATION AND FUNDING OF ONE-STOP CENTERS.—Section 121 (as amended by subsections (b) and (c)) is further amended by adding at the end the following new subsections:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The State board shall establish objective procedures and criteria for periodically certifying one-stop centers for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(B) CRITERIA.—The criteria for certification under this subsection shall include minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners, and how the centers ensure that such providers meet the employment needs of local employers and participants.

''(C) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

''(2) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

''(B) DETERMINATION OF GOVERNOR.—

''(i) IN GENERAL.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

''(ii) SPECIAL RULE.—In those States where the State constitution places policy-making authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II of this Act and for postsecondary career education activities authorized under the Carl D. Perkins Career and Technical Education Act, the determination described in clause (i) with respect to such programs shall be made by the Governor with the appropriate entity or official with such independent policy-making authority.

''(iii) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs

of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.

''(iii) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection. The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center certified under subsection (g) shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas in accordance with the formula established under paragraph (3) for the purposes of assisting in paying the costs of the infrastructure of One-Stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, and equipment (including adaptive technology for individuals with disabilities).

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b)(1)(B) and participating partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

''(A) infrastructure costs that are in excess of the funds provided under subsection (h);

''(B) common costs that are in addition to the costs of infrastructure; and

''(C) the costs of the provision of work ready services applicable to each program.

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate allocation of the funds and noncash resources in local areas.''.

SEC. 419. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to an associate degree, baccalaureate degree, or industry-recognized certification;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d)(1). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d)(1) for so long as the provider remains certified by the Department of Labor to carry out the programs described in paragraph (2)(B).

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures described in section 136 and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle (taking into consideration the characteristics of the population served and relevant economic conditions);

''(B) whether the training programs of such providers relate to occupations that are in demand,

''(C) the need to ensure access to training services throughout the State, including any rural areas;

''(D) the ability of providers to offer programs that lead to a degree or an industry-recognized certification, certificate, or mastery;

''(E) the information such providers are required to report to State agencies with respect to other Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs; and

''(F) such other factors as the Governor determines are appropriate to ensure the quality of services provided, the accountability of providers, that the one-stop centers will ensure that such providers meet the needs of local employers and participants, and the informed choice of participants under chapter 5.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on degrees and industry-recognized certifications received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants (taking into consideration the characteristics of the population served and relevant economic conditions), which may include information specifying the percentage of such participants who entered unsubsidized employment in an occupation related to the program.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for biennial review and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

''(5) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b) for the provision of training services, and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, including information regarding the occupations in demand that relate to the training programs of such providers, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State. The accompanying information shall consist of information provided by providers described in subparagraphs (A) and (C) of subsection (a)(2) in accordance with subsection (b) (including information on receipt

of degrees and industry-recognized certifications, and costs of attendance, for participants receiving training services under this subtitle in applicable programs) and such other information as the Secretary determines is appropriate. The list and the accompanying information shall be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved may be terminated, or other appropriate action may be taken.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career enhancement accounts provided in another State.

''(g) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(h) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, requirements for information, and the list of eligible providers required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments regarding such criteria, procedures, and information.

''(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (g).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.''.

SEC. 420. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

(a) ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.—Section 123 (29 U.S.C. 2843) is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there are an insufficient number of eligible providers of training services in the local area involved (such as rural areas) for grants to be awarded on a competitive basis under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 123 to read as follows:

''Sec. 123. Eligible providers of youth activities.''.

SEC. 421. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C. 2852(a)) is amended—

(1) in subsection (a)(1), by striking ''opportunity'' and inserting ''challenge''; and

(2) by striking subsection (b) and inserting the following:

''(b) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS.—

''(i) RESERVATION OF FUNDS.—Of the amount appropriated under section 137(a) for each fiscal year, the Secretary shall reserve 25 percent to provide youth challenge grants under section 169.

''(ii) LIMITATION.—Notwithstanding clause (i), if the amount appropriated under section 137(a) for a fiscal year exceeds $1,000,000,000, the Secretary shall reserve $250,000,000 to provide youth challenge grants under section 169.

''(B) OUTLYING AREAS AND NATIVE AMERICANS.—

''(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), of the remainder of the amount appropriated under section 137(a) for each fiscal year the Secretary shall—

''(I) reserve not more than ¼ of one percent of such amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and

''(II) reserve not more than 1 and ½ percent of such amount to provide youth activities under section 166 (relating to Native Americans).

''(ii) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this subparagraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188)) after the date of enactment of the Workforce Investment Improvement Act of 2007.

''(C) STATES.—

''(i) IN GENERAL.—Of the remainder of the amount appropriated under section 137(a) for a fiscal year that is available after determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot—

''(I) the amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2007 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) in accordance with the requirements of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I) in accordance with clause (ii).

''(ii) FORMULAS FOR EXCESS FUNDS.—Subject to clauses (iii) and (iv), of the amounts described in clause (i)(II)—

''(I) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 19 in each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 19 in all States;

''(II) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

''(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of that State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(2) DEFINITIONS.—For the purposes of paragraph (1), the following definitions apply:

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under this subsection for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that is received by the State involved for fiscal year 2007.

''(B) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(3) SPECIAL RULE.—For purposes of the formulas specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.'';

(3) in subsection (c)—

(A) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year

(including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the expended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

(C) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State which does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(b) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 10 percent of the amount allotted to the State under section 127(a)(1)(C) for a fiscal year for statewide activities.

''(2) USE OF FUNDS.—Regardless of whether the amounts are allotted under section 127(a)(1)(C) and reserved under paragraph (1) or allotted under section 132 and reserved under section 133(a), the Governor may use the reserved amounts to carry out statewide youth activities under section 129(b) or statewide employment and training activities under section 133.''.

(2) WITHIN STATE ALLOCATIONS.—Section 128(b) is amended to read as follows:

''(b) WITHIN STATE ALLOCATION.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 127(a)(1)(C) and not reserved under subsection (a)(1)—

''(A) not less than 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) not more than 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 19 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16 through 19 in all local areas in the State;

''(ii) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and

''(iii) 33⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—For purposes of this paragraph, the term 'allocation percentage', used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the amount described in paragraph(1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that is received by the local area involved for fiscal year 2007.

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) in accordance with such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year, (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(C) in paragraph (3)—

(i) by striking ''subsection (b)(3)'' the first two places it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(c) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) IN GENERAL.—The individuals participating in activities carried out under this chapter by a local area during any program year shall be individuals who, at the time the eligibility determination is made, are—

''(A) not younger than age 16 or older than age 24; and

''(B) one or more of the following:

''(i) school dropouts;

''(ii) recipients of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities) who are deficient in basic skills and not attending any school;

''(iii) court-involved youth attending an alternative school;

''(iv) youth in foster care or who have been in foster care; or

''(v) in school youth who are low-income individuals and one or more of the following:

''(I) Deficient in literacy skills.

''(II) Homeless, runaway, or foster children.

''(III) Pregnant or parents.

''(IV) Offenders.

''(V) Individuals who require additional assistance to complete an educational program, or to secure and hold employment.

''(2) PRIORITY FOR SCHOOL DROPOUTS.—A priority in the provision of services under this chapter shall be given to individuals who are school dropouts.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) PERCENTAGE OF FUNDS.—For any program year, not more than 50 percent of the funds available for statewide activities under subsection (b), and not more than 50 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B)(v).

''(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

''(i) after an analysis of the eligible youth population in the local area, the State determines that the local area will be unable to use at least 50 percent of the funds available for activities under subsection (b) or (c) to serve out-of-school youth due to a low number of out-of-school youth; and

''(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed increased percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

''(II) the request is approved by the Secretary.

''(C) NON-SCHOOL HOURS REQUIRED.—

''(i) IN GENERAL.—Except as provided in clause (ii), activities carried out under this chapter for in-school youth meeting the requirements of paragraph (1)(B)(v) shall only be carried out in non-school hours or periods when school is not in session (such as before and after school or during recess).

''(ii) EXCEPTION.—The requirements of clause (i) shall not apply to activities carried out for in-school youth meeting the requirements of paragraph (1)(B)(v) during school hours that are part of a program that has demonstrated effectiveness in high school youth attaining diplomas.

''(4) CONSISTENCY WITH COMPULSORY SCHOOL ATTENDANCE LAWS.—In providing assistance under this section to an individual who is required to attend school under applicable State compulsory school attendance laws, the priority in providing such assistance shall be for the individual to attend school regularly.''.

(d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) may be used for statewide activities including—

''(A) additional assistance to local areas that have high concentrations of eligible youth;

''(B) supporting the provision of work ready services described in section 134(c)(2) in the one-stop delivery system;

''(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(D) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities under this chapter and chapter 5.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted under section 127(b) shall be used by the State for administrative activities carried out under this subsection and section 133(a).

''(3) PROHIBITION.—No funds described in this subsection or in section 134(a) may be used to develop or implement education curricula for school systems in the State.''.

(e) LOCAL ELEMENTS AND REQUIREMENTS.—

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c) (1)) is amended—

(A) in the matter preceding subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to one or more of the performance measures relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as so redesignated) the following:

''(i) activities leading to the attainment of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities);'';

(iii) in clause (ii) (as so redesignated), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as so redesignated), by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by amending clause (v) (as so redesignated) to read as follows:

''(v) effective connections to employers, including small employers, in sectors of the local and regional labor markets experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent (including recognized alternative standards for individuals with disabilities), including dropout prevention strategies'';

(B) in subparagraph (I), by striking ''and'' at the end;

(C) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

''(K) on-the-job training opportunities; and

''(L) financial literacy skills.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth''.

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is further amended—

(A) by striking paragraphs (4) and (5) and redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively; and

(B) in paragraph (5) (as so redesignated), by striking ''youth councils'' and inserting ''local boards''.

SEC. 422. COMPREHENSIVE PROGRAMS FOR ADULTS.

(a) TITLE AMENDMENT.—

(1) The title heading of chapter 5 is amended to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(b) GENERAL AUTHORIZATION.—Section 131 (29 U.S.C. 2861) is amended—

(1) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(2) by striking '', and dislocated workers,''.

(c) STATE ALLOTMENTS.—Section 132 (29 U.S.C. 2862) is amended—

(1) by amending subsection (a) to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve 7.5 percent of the amount appropriated under section 137 for a fiscal year, of which—

''(A) not less than 85 percent shall be used for national dislocated worker grants under section 173;

''(B) not more than 10 percent may be used for demonstration projects under section 171; and

''(C) not more than 5 percent may be used to provide technical assistance under section 170; and

''(2) make allotments from 92.5 percent of the amount appropriated under section 137 for a fiscal year in accordance with subsection (b).'';

(2) by amending subsection (b) to read as follows:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—

''(A) IN GENERAL.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(B) RESTRICTION.—The Republic of Palau shall cease to be eligible to receive funding under this paragraph upon entering into an agreement for extension of United States educational assistance under the Compact of Free Association (approved by the Compact of Free Association Amendments Act of 2003 (Public Law 108–188)) after the date of enactment of the Workforce Investment Improvement Act of 2007.

''(2) STATES.—Subject to paragraph (5), of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities for adults and for statewide workforce investment activities—

''(A) 26 percent in accordance with paragraph (3); and

''(B) 74 percent in accordance with paragraph (4).

''(3) BASE FORMULA.—

''(A) FISCAL YEAR 2008.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2008 on the basis of allotment percentage of each State under section 6 of the Wagner-Peyser Act for fiscal year 2007.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2008 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2007, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2007.

''(B) FISCAL YEARS 2009 AND THEREAFTER.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph(2)(A) shall be allotted for fiscal year 2009 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2009 or any fiscal year thereafter exceeds the

amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

''(4) CONSOLIDATED FORMULA.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State under this paragraph for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment for a fiscal year under this paragraph that is more than 130 percent of the allotment of the State under this paragraph for the preceding fiscal year.

''(C) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (B), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(D) DEFINITIONS.—For the purposes of this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) and under reemployment service grants received by the State involved for fiscal year 2007.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4½ percent of the civilian labor force in the State.

''(5) ADJUSTMENTS IN ALLOTMENTS BASED ON DIFFERENCES WITH UNCONSOLIDATED FORMULAS.—

''(A) IN GENERAL.—The Secretary shall ensure that for any fiscal year no State has an allotment difference, as defined in subparagraph (C), that is less than zero. The Secretary shall adjust the amounts allotted to the States under this subsection in accordance with subparagraph (B) if necessary to carry out this subparagraph.

''(B) ADJUSTMENTS IN ALLOTMENTS.—

''(i) REDISTRIBUTION OF EXCESS AMOUNTS.—

''(I) IN GENERAL.—If necessary to carry out subparagraph (A), the Secretary shall reduce the amounts that would be allotted under paragraphs (3) and (4) to States that have an excess allotment difference, as defined in subclause (II), by the amount of such excess, and use such amounts to increase the allotments to States that have an allotment difference less than zero.

''(II) EXCESS AMOUNTS.—For purposes of subclause (I), the term 'excess' allotment difference means an allotment difference for a State that is—

''(aa) in excess of 3 percent of the amount described in subparagraph (C)(i)(II); or

''(bb) in excess of a percentage established by the Secretary that is greater than 3 percent of the amount described in subparagraph (C)(i)(II) if the Secretary determines that such greater percentage is sufficient to carry out subparagraph (A).

''(ii) USE OF AMOUNTS AVAILABLE UNDER NATIONAL RESERVE ACCOUNT.—If the funds available under clause (i) are insufficient to carry out subparagraph (A), the Secretary shall use funds reserved under section 132(a) in such amounts as are necessary to increase the allotments to States to meet the requirements of subparagraph (A). Such funds shall be used in the same manner as the States use the other funds allotted under this subsection.

''(C) DEFINITION OF ALLOTMENT DIFFERENCE.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'allotment difference' means the difference between—

''(I) the total amount a State would receive of the amounts available for allotment under subsection (b)(2) for a fiscal year pursuant to paragraphs (3) and (4); and

''(II) the total amount the State would receive of the amounts available for allotment under subsection (b)(2) for the fiscal year if such amounts were allotted pursuant to the unconsolidated formulas (applied as described in clause (iii)) that were used in allotting funds for fiscal year 2007.

''(ii) UNCONSOLIDATED FORMULAS.—For purposes of clause (i), the unconsolidated formulas are:

''(I) The requirements for the allotment of funds to the States contained in section 132(b)(1)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that were applicable to the allotment of funds under such section for fiscal year 2007.

''(II) The requirements for the allotment of funds to the States contained in section 132(b)(2)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that were applicable to the allotment of funds under such section for fiscal year 2007.

''(III) The requirements for the allotment of funds to the States that were contained in section 6 of the Wagner-Peyser Act (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that were applicable to the allotment of funds under such Act for fiscal year 2007.

''(IV) The requirements for the allotment of funds to the States that were established by the Secretary for Reemployment Services Grants that were applicable to the allotment of funds for such grants for fiscal year 2007.

''(iii) PROPORTIONATE APPLICATION OF UNCONSOLIDATED FORMULAS BASED ON FISCAL YEAR 2007.—In calculating the amount under clause (i)(II), each of the unconsolidated formulas identified in clause (ii) shall be applied, respectively, only to the proportionate share of the total amount of funds available for allotment under subsection (b)(2) for a fiscal year that is equal to the proportionate share to which each of the unconsolidated formulas applied with respect to the total amount of funds allotted to the States under all of the unconsolidated formulas in fiscal year 2007.

''(iv) RULE OF CONSTRUCTION.—The amounts used to adjust the allotments to a State under subparagraph (B) for a fiscal year shall not be included in the calculation of the amounts under clause (i) for a subsequent fiscal year, including the calculation of allocation percentages for a preceding fiscal year applicable to paragraphs (3) and (4) and to the unconsolidated formulas described in clause (ii).''; and

(3) in subsection (c)—

(A) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the expended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

(C) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(d) WITHIN STATE ALLOCATIONS.—Section 133 (29 U.S.C. 2863) is amended—

(1) by amending subsection (a) to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—The Governor of a State may reserve up to 40 percent of the total amount allotted to the State under section 132 for a fiscal year to carry out the statewide activities described in section 134(a).'';

(2) by amending subsection (b) to read as follows:

''(b) ALLOCATIONS TO LOCAL AREAS.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 132(b)(2) and not reserved under subsection (a)—

''(A) 85 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 15 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

''(ii) 25 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2008 or a subsequent fiscal year, means a percentage of the amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2007, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Improvement Act of 2007) that is received by the local area involved for fiscal year 2007.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a local area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area.

''(3) DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) based on a formula developed in consultation with the State board and local boards. Such formula shall be objective and geographically equitable and may include such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 128(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 4.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 4, regardless of whether the funds were allocated under this subsection or section 128(b).'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allotted to the local area in prior program years that remain available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' the first two places it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a) (29 U.S.C. 2864(a) is amended to read as follows:

''(1) IN GENERAL.—

''(A) REQUIRED USE OF FUNDS.—Not less than 60 percent of the funds reserved by a Governor under section 133(a) shall be used to support One-Stop delivery systems and the provision of work ready services, and, in addition, may be used to support the provision of discretionary one-step delivery services, in local areas, consistent with the local plan, through one-stop delivery systems by distributing funds to local areas in accordance with subparagraph (B). Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

''(B) METHOD OF DISTRIBUTING FUNDS.—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards. Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(C) OTHER USE OF FUNDS.—Funds reserved by a Governor for a State—

''(i) under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraph (2); and

''(ii) under section 133(a) and not used under subparagraph (A), and under section 128(a) may be used to carry out any of the statewide employment and training activities described in paragraph (3).

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall carry out statewide rapid response activities using funds reserved as described in section 133(a). Such activities shall include—

''(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials in the local areas.

''(3) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in sections 133(a) and 128(a) may be used for statewide activities including—

''(A) supporting the provision of work ready services described in section 134(c)(2) in the one-stop delivery system;

''(B) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, including regional skills alliances, sectoral skills partnerships (in which representatives of multiple employers for a specific industry sector or group of related occupations, economic development agencies, providers of training services described in subsection (d)(4), labor federations, and other entities that can provide needed supportive services tailored to the needs of workers in that sector or group, for a local area or region, identify gaps between the current and expected demand and supply of labor and skills in that sector or group for that area or region and develop a strategic skills gap action plan), career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 4 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(D) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f);

''(G) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4;

''(H) implementing innovative programs, such as incumbent worker training programs, programs and strategies designed to meet the needs of businesses in the State, including small businesses, and engage employers in workforce activities, and programs serving individuals with disabilities consistent with section 188;

''(I) developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners; and

''(J) carrying out activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology.

''(4) LIMITATION.—Not more than 5 percent of the funds allotted under section 132(b) shall be used by the State for administrative activities carried out under this subsection and section 128(a).''.

(2) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(b) (29 U.S.C. 2864(b)) is amended—

(A) by striking ''under paragraph (2)(A)'' and all that follows through ''section 133(b)(2)(B)'' and inserting ''under section 133(b)''; and

(B) in paragraphs (1) and (2), by striking ''or dislocated workers, respectively''.

(3) TECHNICAL AMENDMENT.—Section 134 is further amended by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(4) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignated by paragraph (3)) is amended to read as follows:

''(1) IN GENERAL.—Funds allocated to a local area for adults under section 133(b) shall be used—

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the work ready services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph;

''(C) to provide training services described in paragraph (4) to adults described in such paragraph; and

''(D) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries.''.

(B) WORK READY SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesignated by paragraph (3)) is amended——

(i) in the heading, by striking ''CORE SERVICES'' and inserting ''WORK READY SERVICES'';

(ii) by striking ''core services'' and inserting ''work ready services'';

(iii) by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)(A)(i)'';

(iv) by striking ''who are adults or dislocated workers'';

(v) in subparagraph (A), by inserting ''and assistance in obtaining eligibility determinations under the other one-stop partner programs through such activities as assisting in the submission of applications, the provision of information on the results of such applications, the provision of intake services and information, and, where appropriate and consistent with the authorizing statute of the one-stop partner program, determinations of eligibility'' after ''subtitle'';

(vi) by amending subparagraph (D) to read as follows:

''(D) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate career counseling;

''(ii) appropriate recruitment services for employers, including small employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system; and

''(iii) reemployment services provided to unemployment claimants, including claimants identified as in need of such services under the worker profiling system established under section 303(j) of the Social Security Act (42 U.S.C. 503(j));'';

(vii) in subparagraph (I), by inserting ''and the administration of the work test for the unemployment compensation system'' after ''compensation''; and

(viii) by striking subparagraph (H) and inserting the following:

''(H) provision of accurate information, in formats that are usable and understandable to all one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.), benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the earned income tax credit under section 32 of the Internal Revenue Code of 1986, and assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other supportive services and transportation provided through funds made available under such part, available in the local area, and referral to such services or assistance as appropriate;''; and

(ix) by amending subparagraph (J) to read as follows:

''(J) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and''; and

(x) by redesignating subparagraph (K) as subparagraph (M); and

(xi) by inserting the following new subparagraphs after subparagraph (J)):

''(K) the provision of information from official publications of the Internal Revenue Service, regarding federal tax credits available to individuals relating to education, job training and employment, including the Hope Scholarship Credit and the Lifetime Learning Credit (26 U.S.C. 25A), and the Earned Income Tax Credit (26 U.S.C. 32);

''(L) services relating to the Work Opportunity Tax Credit (26 U.S.C. 51);

''(M) comprehensive and specialized assessments of the skill levels and service needs of adults and dislocated workers, which may include—

''(i) diagnostic testing and use of other assessment tools; and

''(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

''(N) development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participation to achieve the employment goals;

''(O) group counseling;

''(P) individual counseling and career planning;

''(Q) case management;

''(R) short-term prevocational services, including development of learning skills, communications skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training;

''(S) internships and work experience;

''(T) literacy activities relating to basic work readiness, information and communication technology literacy activities, and financial literacy activities, if such activities are not available to participants in the local area under programs administered under the Adult Education and Family Literacy Act (20 U.S.C. 2901 et seq.); and

''(U) out-of-area job search assistance and relocation assistance.''.

(C) DELIVERY OF SERVICES.—Section 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated by paragraph (3) of this subsection) is amended to read as follows:

''(3) DELIVERY OF SERVICES.—The work ready services described in paragraph (M) through (U) shall be provided through the one-stop delivery system and may be provided through contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.''.

(D) TRAINING SERVICES.—Section 134(c)(4) (as redesignated by paragraph (3) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b) shall be used to provide training services to adults who—

''(i) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(I) be in need of training services to obtain or retain suitable employment; and

''(II) have the skills and qualifications to successfully participate in the selected program of training services;

''(ii) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the adults receiving such services are willing to commute or relocate;

''(iii) who meet the requirements of subparagraph (B); and

''(iv) who are determined eligible in accordance with the priority system in effect under subparagraph (E).'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) by amending subparagraph (D) to read as follows:

''(D) TRAINING SERVICES.—Training services authorized under this paragraph may include—

''(i) occupational skills training;

''(ii) on-the-job training;

''(iii) skill upgrading and retraining;

''(iv) entrepreneurial training;

''(v) education activities leading to a high school diploma or its equivalent, including a General Educational Development credential, in combination with, concurrently or subsequently, occupational skills training;

''(vi) adult education and literacy activities provided in conjunction with other training authorized under this subparagraph;

''(vii) workplace training combined with related instruction; and

''(viii) occupational skills training that incorporates English language acquisition.'';

(iv) by amending subparagraph (E) to read as follows:

''(E) PRIORITY.—

''(i) IN GENERAL.—A priority shall be given to unemployed individuals and employed workers who need training services to retain employment or to advance in a career for the provision of intensive and training services under this subsection.

''(ii) DETERMINATIONS.—The Governor and the appropriate local board shall direct the one-stop operators in the local area with regard to making determinations with respect to the priority of service under this subparagraph.'';

(v) in subparagraph (F), by striking clause (iii) and inserting the following:

''(iii) CAREER ENHANCEMENT ACCOUNTS.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through a career enhancement account.

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career enhancement accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.

''(v) ENHANCED CAREER ENHANCEMENT ACCOUNTS.—Each local board may, through one-stop centers, assist individuals receiving career enhancement accounts through the establishment of such accounts that include, in addition to the funds provided under this paragraph, funds from other programs and sources that will assist the individual in obtaining training services.''; and

(vi) in subparagraph (G)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER ENHANCEMENT ACCOUNTS'';

(II) in clause (i) by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career enhancement account'';

(bb) in subclause (II), by striking ''individual training accounts'' and inserting ''career enhancement accounts'';

(cc) in subclause (II) by striking ''or'' after the semicolon;

(dd) in subclause (III) by striking the period and inserting ''; or''; and

(ee) by adding at the end of the following:

''(IV) The local board determines that it would be most appropriate to award a contract to an institution of higher education in order to facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.''.

(IV) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:

''(IV) Individuals with disabilities.''.

(5) PERMISSIBLE ACTIVITIES.—Section 134(d) (as redesignated by paragraph (3)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b) may be used to provide, through the one-stop delivery system—

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities;

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(v) activities to improve services to local employers, including small employers in the local area, and increase linkages between the local workforce investment system and employers;

''(vi) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology; and

''(vii) activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118, which services—

''(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee-for-service basis or through the leveraging of economic development and other resources as determined appropriate by the local board; and

''(II) may include—

''(aa) identifying and disseminating to business, educators, and job seekers, information related to the workforce, economic and community development needs, and opportunities of the local economy;

''(bb) development and delivery of innovative workforce investment services and strategies for area businesses, which may include sectoral, industry cluster, regional skills alliances, career ladder, skills upgrading, skill standard development and certification, apprenticeship, and other effective initiatives for meeting the workforce investment needs of area employers and workers;

''(cc) participation in seminars and classes offered in partnership with relevant organizations focusing on the workforce-related needs of area employers and job seekers;

''(dd) training consulting, needs analysis, and brokering services for area businesses, including the organization and aggregation of training (which may be paid for with funds other than those provided under this title), for individual employers and coalitions of employers with similar interests, products, or workforce needs;

''(ee) assistance to area employers in the aversion of layoffs and in managing reductions in force in coordination with rapid response activities;

''(ff) the marketing of business services offered under this title, to appropriate area employers, including small and mid-sized employers;

''(gg) information referral on concerns affecting local employers; and

''(hh) other business services and strategies designed to better engage employers in workforce investment activities and to make the workforce investment system more relevant to the workforce investment needs of area businesses, as determined by the local board to be consistent with the objectives of this title.

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.—Funds allocated to a local area under 133(b) may be used to provide, through the one-stop delivery system and in collaboration with the appropriate programs and resources of the one-stop partners, work support activities designed to assist low-wage workers in retaining and enhancing employment. The one stop partners shall coordinate the appropriate programs and resources of the partners with the activities and resources provided under this subparagraph.

''(ii) ACTIVITIES.—The activities described in clause (i) may include assistance in accessing financial supports for which such workers may be eligible and the provision of activities available through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate, such as the provision of employment and training activities during nontraditional hours and the provision of on-site child care while such activities are being provided.''; and

(B) by adding after paragraph (3) the following new paragraph:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to a local area under section 133(b) to carry out incumbent worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers of the employers. The State board, in consultation with the local board as appropriate, shall establish the required portion of such costs, which may include in-kind contributions. The required portion shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the requirement payment of the employer.''.

SEC. 423. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—Section 136(b)(1) (29 U.S.C. 2871(b)(1)) is amended—

(A) in subparagraph (A)(i), by striking ''and the customer satisfaction indicator of performance described in paragraph (2)(B)''; and

(B) in subparagraph (A)(ii), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(2) INDICATORS OF PERFORMANCE.—Section 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by striking ''(except for self-service and information activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(ii) in subclause (II), by striking ''6 months after entry into the employment'' and inserting ''and'' after the semicolon; and

(iii) by striking subclause (III), and inserting the following:

''(III) average earnings from unsubsidized employment.'';

(B) by striking subclause (IV) of subparagraph (A)(i);

(C) by amending subparagraph (A)(ii) to read as follows:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) attainment of secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent or certificate (including recognized alternative standards for individuals with disabilities); and

''(III) literacy or numeracy gains.'';

(D) by striking subparagraph (B); and

(E) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph the following new sentence: ''Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(B) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(C) in clause (iii)—

(i) in the heading, by striking ''**FOR FIRST 3 YEARS**''; and

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(D) in clause (iv)—

(i) by striking subclause (I);

(ii) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(iii) in subclause (I) (as so redesignated)—

(I) by striking ''taking into account'' and inserting ''which shall be adjusted based on'';

(II) by inserting '', such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(III) by inserting '', such as indicators of poor work history, lack of work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency'' after ''program'';

(E) by striking clause (v) and redesignating clause (vi) as clause (v).

(4) ADDITIONAL INDICATORS.—Section 136(b)(3)(B) is amended by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c) (29 U.S.C. 2871(c)) is amended—

(1) in paragraph (1)(A)(i), by striking '', and the customer satisfaction indicator of performance described in subsection (b)(2)(B),'';

(2) in paragraph (1)(A)(ii), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(3) by amending paragraph (3) to read as follows:

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area, such as poor work history, lack of work experience, dislocation from high-wage employment, low levels of literacy or English proficiency, disability status, including the number of veterans with disabilities, and welfare dependency.''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by striking ''and the customer satisfaction indicator'' in both places that it appears;

(2) in paragraph (2)—

(A) in subparagraph (E), by striking ''(excluding participants who received only self-service and informational activities); and'' and inserting a semicolon;

(B) in subparagraph (F), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(G) the number of participants who have received services other than followup services, authorized under this title, in the form of work ready services described in section 134(d)(2), and training services described in section 134(d)(4), respectively;

''(H) the number of participants who have received followup services authorized under this title; and

''(I) the cost per participant for services authorized under this title.''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.''.

(d) SANCTIONS FOR STATE.—Section 136(g) (29 U.S.C. 2871(g)) is amended—

(1) in paragraph (1)(A), by striking ''or (B)''; and

(2) in paragraph (2), by striking ''section 503'' and inserting ''section 136(i)''.

(e) SANCTIONS FOR LOCAL AREAS.—Section 136(h) (29 U.S.C. 2871(h)) is amended—

(1) in paragraph (1), by striking ''or (B)''; and

(2) by amending paragraph (2)(B) to read as follows:

''(B) APPEAL TO GOVERNOR.—A local area that is subject to a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan. In such case, the Governor shall make a final decision not later than 30 days after the receipt of the appeal.''.

(f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR STATES AND LOCAL AREAS.—

''(1) INCENTIVE GRANTS FOR STATES.—

''(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award incentive grants to States for exemplary performance in carrying programs under chapters 4 and 5 of this title. Such awards may be based on States meeting or exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

''(B) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under chapters 4 and 5 of this title, including—

''(i) activities that provide technical assistance to local areas to replicate best practices for workforce and education programs;

''(ii) activities that support the needs of businesses, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(iii) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(iv) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(v) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(vi) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(vii) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

''(viii) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.

''(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(A) IN GENERAL.—From funds reserved under sections 128(a) and 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

''(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapters 4 and 5 of this title, the Adult Education and Family Literacy Act, and the Rehabilitation Act of 1973 (referred to in this subsection as 'workforce and education programs'), and such innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, as may be approved by the Governor, including—

''(i) activities that support the needs of businesses, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(ii) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(iii) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(iv) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(v) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(vi) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

''(vii) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.''.

(g) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—Section 136 (29 U.S.C. 2871) is further amended by adding at the end the following subsection:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapters 4 and 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the core indicators of performance described in subsection (b)(2)(A) to assess the effectiveness of the programs described under section 121(b)(1)(B) that are carried out by the Secretary.''.

(h) REPEAL OF DEFINITIONS.—Sections 502 and 503 (and the items related to such sections in the table of contents) are repealed.

SEC. 424. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal year 2008 through 2012''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''section 132(a), such sums as may be necessary for each of fiscal years 2008 through 2012''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137 is further amended by striking subsection (c).

SEC. 425. JOB CORPS.

(a) PROGRAM ACTIVITIES.—Section 148(a) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Each Job Corps Center shall provide enrollees with an intensive, well organized, and fully supervised program of education, career training, work experience, recreational activities, physical rehabilitation and development, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to work ready services described in section 134(c)(2).''.

(b) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding after paragraph (2) the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.

''(4) SPECIAL RULE FOR SINGLE LOCAL AREA STATES.—In the case of a single local area State designated under section 116(b), the industry council shall include a representative of the State Board.''.

(c) INDICATORS OF PERFORMANCE AND ADDITIONAL INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the following core indicators of performance for youth—

''(A) entry into education, employment, military service or advanced training;

''(B) attainment of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent; and

''(C) literacy or numeracy gains.''; and

(2) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking ''1999 through 2003'' and inserting ''2008 through 2012''.

(e) REPEAL OF REQUIREMENT RELATING TO FEDERAL ADMINISTRATION.—Section 102 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (Public Law 109–149) is repealed.

SEC. 426. NATIVE AMERICAN PROGRAMS.

(a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section.''.

(b) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 427. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167(d) is amended by inserting ''(including permanent housing)'' after ''housing''.

SEC. 428. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3)(C) (29 U.S.C. 2913 (a)(3)(C)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

SEC. 429. YOUTH CHALLENGE GRANTS.

(a) IN GENERAL.—Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(a)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award discretionary grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this section to assist eligible youth in acquiring the skills, credentials and employment experience necessary to succeed in the labor market.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to States, local boards, recipients of grants under section 166 (relating to Native American programs), and public or private entities (including consortia of such entities) applying in conjunction with local boards.

''(3) GRANT PERIOD.—The Secretary may make a grant under this section for a period of 1 year and may renew the grants for each of the 4 succeeding years.

''(4) AUTHORITY TO REQUIRE MATCH.—The Secretary may require that grantees under this subsection provide a non-Federal share of the cost of activities carried out under a grant awarded under this subsection.

''(5) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this subsection.

''(6) USE OF FUNDS.—Funds under this subsection may be used for activities that are designed to assist youth in acquiring the skills, credentials and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129. The activities may include activities such as—

''(A) training and internships for out-of-school youth in sectors of the economy experiencing or projected to experience high growth;

''(B) after-school dropout prevention activities for in-school youth;

''(C) activities designed to assist special youth populations, such as court-involved youth and youth with disabilities; and

''(D) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(7) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection and how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provisions of such activities;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the private and public, and local and State resources that will be leveraged to provide the activities described under subparagraph (A) in addition to the funds provided under this subsection and a description of the extent of the involvement of employers in the activities; and

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii).

''(8) FACTORS FOR AWARD.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the quality of the proposed activities;

''(ii) the goals to be achieved;

''(iii) the likelihood of successful implementation;

''(iv) the extent to which the proposed activities are based on proven strategies or the extent to which the proposed activities will expand the base of knowledge relating to the provision of activities for eligible youth;

''(v) the extent of collaboration with the State and local workforce investment systems in carrying out the proposed activities;

''(vi) the extent of employer involvement in the proposed activities;

''(vii) whether there are other Federal and non-Federal funds available for similar activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities;

''(viii) the quality of the proposed activities in meeting the needs of the eligible youth to be served; and

''(ix) the extent to which the proposed activities will expand on services provided under section 127.

''(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(9) EVALUATION.—The Secretary may reserve up to 5 percent of the funds described in subsection(a)(1) to provide technical assistance to, and conduct evaluations of the projects funded under this subsection (using appropriate techniques as described in section 172(c)).

''(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVITIES.—

''(1) IN GENERAL.—From the funds described in subsection(a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to public or private entities that the Secretary determines would effectively carry out activities relating to youth under this subsection.

''(3) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 at the time the eligibility determination is made may be eligible to participate in activities under this subsection.

''(4) USE OF FUNDS.—Funds provided under this subsection may be used for activities that will assist youth in preparing for, and entering and retaining, employment, including the activities described in section 129 for out-of-school youth, activities designed to assist in-school youth to stay in school and gain work experience, and such other activities that the Secretary determines are appropriate.

''(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(6) ADDITIONAL REQUIREMENTS.—The Secretary may require the provision of a non-Federal share for projects funded under this subsection and may require participation of grantees in evaluations of such projects, including evaluations using the techniques as described in section 172(c).''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 169 to read as follows:

''Sec. 169. Youth challenge grants.''.

SEC. 430. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking

''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left;

(4) in subsection (a) (as redesignated by paragraph (3))—

(A) by inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, peer review activities under this title, assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State), technical assistance to States that do not meet State performance measures described in section 136,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the Workforce Investment Improvement Act of 2007''; and

(5) by inserting, after subsection (c) (as redesignated by paragraph (3)), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act;

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps; and

''(3) commission research under section 171(c) to address knowledge gaps identified under paragraph (2).''.

SEC. 431. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by amending subparagraphs (A) through (D) to read as follows:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth, including those relating to information technology;

''(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(C) by striking subparagraph (E);

(D) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(E) in subparagraph (F) (as so redesignated, by striking ''; and'' and inserting a semicolon;

(F) by inserting after subparagraph (F) (as so redesignated) the following:

''(G) projects carried out by States and local areas to assist adults or out of school youth in starting a small business, including training and assistance in business or financial management or in developing other skills necessary to operate a business;''; and

(G) by amending subparagraph (H) to read as follows:

''(H) projects that focus on opportunities for employment in industries and sectors of industries that are being transformed by technology and innovation requiring new knowledge or skill sets for workers, including advanced manufacturing; and''; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) NET IMPACT STUDIES AND REPORTS.—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to Congress and the public reports containing the results of such studies.''.

SEC. 432. COMMUNITY-BASED JOB TRAINING.

Section 171(d) is amended to read as follows:

''(d) COMMUNITY-BASED JOB TRAINING.—

''(1) DEMONSTRATION PROJECT.—In addition to the demonstration projects under subsection (b), the Secretary may establish and implement a national demonstration project designed to develop local solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages, and increase opportunities for workers to gain access to employment in high-growth, high-demand occupations by promoting the establishment of partnerships among education entities, the workforce investment system, and businesses in high-growth, high-skill industries.

''(2) GRANTS.—In carrying out the demonstration project under this subsection, the Secretary shall award competitive grants, in accordance with generally applicable Federal requirements, to eligible entities to carry out activities authorized under this subsection.

''(3) DEFINITIONS.—

''(A) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a community college or consortium of community colleges that shall work in conjunction with—

''(i) the local workforce investment system; and

''(ii) business or businesses in a qualified industry or an industry association in a qualified industry.

''(B) QUALIFIED INDUSTRY.—In this subsection, the term 'qualified industry' means an industry or economic sector that is projected to experience significant growth, such as an industry and economic sector that—

''(i) is projected to add substantial numbers of new jobs to the economy;

''(ii) has significant impact on the economy;

''(iii) impacts the growth of other industries and economic sectors;

''(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

''(v) is a new or emerging industry or economic sector that is projected to grow; or

''(vi) has high-skilled occupations and significant labor shortages in the local area.

''(C) COMMUNITY COLLEGE.—As used in this subsection, the term 'community college' means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides not less than a 2-year program that is acceptable for full credit toward a bachelor's degree, or is a tribally controlled college or university.

''(4) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

''(5) USE OF FUNDS.—Grants awarded under this subsection may be used for—

''(A) the development, by a community college, in consultation with representatives

of qualified industries, of rigorous training and education programs related to employment in a qualified industry identified in the eligible entity's application;

''(B) training of adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application;

''(C) disseminating to adults and dislocated workers, through the one-stop delivery system, information on high-growth, high-demand occupations in qualified industries;

''(D) placing, through the one-stop delivery system, trained individuals into employment in qualified industries; and

''(E) increasing the integration of community colleges with activities of businesses and the one-stop delivery system to meet the training needs for qualified industries.

''(6) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the eligible entity that will offer training under the grant;

''(B) an economic analysis of the local labor market to identify high-growth, high-demand industries, identify the workforce issues faced by those industries, and potential participants in programs funded under this subsection;

''(C) a description of the qualified industry for which training will occur and the availability of competencies on which training will be based and how the grant will help workers acquire the competencies and skills necessary for employment;

''(D) an assurance that the application was developed in consultation with the local board or boards and businesses, including small businesses, in the geographic area or areas where the proposed grant will be used;

''(E) performance measures for the grant, including expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and earnings increases for such individuals;

''(F) a description of how the activities funded by the proposed grant will be coordinated with activities provided through the one-stop delivery system in the local area or areas; and

''(G) a description of any local or private resources that will support the activities carried out under this subsection and allow the entity to carry out and expand such activities after the expiration of the grant.

''(7) FACTORS FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the extent of public and private collaboration, including existing partnerships among industries, community colleges, and the public workforce investment system;

''(ii) the extent to which the grant will provide job seekers with employment opportunities in high-growth, high-demand occupations;

''(iii) the extent to which the grant will expand the eligible entity and local one-stop delivery system's capacity to be demand-driven and responsive to local economic needs;

''(iv) the extent to which local businesses commit to hire or retain individuals who receive training through the grant; and

''(v) the extent to which the eligible entity commits to make any newly developed products, such as competencies or training curriculum, available for distribution nationally.

''(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

''(i) the extent to which local or private resources, in addition to the funds provided under this subsection, will be made available to support the activities carried out under this subsection; and

''(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

''(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

''(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to report to the Secretary on the employment outcomes obtained by individuals receiving training under this subsection using the indicators of performance identified in the eligible entity's grant application.

''(B) EVALUATION.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 433. EVALUATIONS.

(a) IMPACT ANALYSIS.—Section 172(a)(4) (29 U.S.C. 2917(a)(4)) is amended to read as follows:

''(4) the impact of receiving services and not receiving services under such programs and activities on the community, businesses, and individuals;''; and

(b) TECHNIQUES.—Section 172(c) (29 U.S.C. 2917(c)) is amended to read as follows:

''(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate and rigorous methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies, quasi-experimental methods, impact analysis and the use of administrative data. The Secretary shall conduct an impact analysis, as described in subsection (a)(4), of the formula grant programs under subtitle B not later than 2010, and thereafter shall conduct such an analysis not less than once every four years.''.

SEC. 434. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is amended—

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

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by striking ''national emergency grants'' in the matter preceding paragraph (1) and inserting ''national dislocated worker grants''; and

(B) in paragraph (1), by striking ''subsection (c)'' and inserting ''subsection (b)''.

(3) by striking subsections (b) and (e) and redesignating subsections (c), (d), (f), and (g) as subsections (b) through (e), respectively;

(4) in subsection (b)(1)(B) as so redesignated), by striking '', and other entities'' and all that follows and inserting a period; and

(5) in subsection (b)(2)(A) (as so redesignated)—

(A) in clause (iii), by striking ''; or'' and inserting a semicolon;

(B) in clause (iv)(IV) by striking the period and inserting ''; or''; and

(C) by inserting at the end the following:

''(v) is the spouse of a member of the Armed Forces who is on active duty or full-time National Guard duty, or who was recently separated from such duties, and such spouse is in need of employment and training assistance to obtain or retain employment.''.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

''Sec. 173. National dislocated worker grants.''.

SEC. 435. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2008 through 2012''.

(b) RESERVATIONS.—Section 174(b) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—

''(1) DEMONSTRATION AND PILOT PROJECTS.—There are authorized to be appropriated to carry out section 171, such sums as may be necessary for fiscal years 2008 through 2012.

''(2) TECHNICAL ASSISTANCE, EVALUATIONS.—There are authorized to be appropriated to carry out section 170, section 172, and section 136 such sums as may be necessary for each of fiscal years 2008 through 2012.''.

SEC. 436. REQUIREMENTS AND RESTRICTIONS.

(a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking ''shall'' and inserting ''may''.

(b) LIMITATIONS.—Section 181(e) (29 U.S.C. 2931(e)) is amended by striking ''training for'' and inserting ''the entry into employment, retention in employment, or increases in earnings of''.

(c) SALARY CAP.—Section 181 (29 U.S.C. 2931) is further amended by adding at the end the following new subsection:

''(g) SALARY AND BONUS LIMITATION.—No funds provided under this title shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Level II of the Federal Executive Pay Schedule (5 U.S.C. 5313). This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A–133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer the programs.''.

(d) REPORTS TO CONGRESS.—Section 185 (29 U.S.C. 2935) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking ''and'' after the semicolon;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.''; and

(2) in paragraph (e)(2), by inserting ''and the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate,'' after ''Secretary,''.

SEC. 437. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended to read as follows:

''(2) PROHIBITION OF DISCRIMINATION REGARDING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

''(B) EXEMPTION FOR RELIGIOUS ORGANIZATIONS.—Subparagraph (A) shall not apply to a recipient of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities. Such recipients shall comply with the other requirements contained in subparagraph (A).''.

SEC. 438. ADMINISTRATIVE PROVISIONS.

(a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended by striking ''each State'' and inserting ''each recipient''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting '', or in accordance with subparagraph (D)'' after ''subparagraph (B)''; and

(B) by striking clause (ii), the clause (i) designation and the dash preceding such designation, and moving the remaining text flush with the preceding matter; and

(2) by adding the following subparagraph:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.''.

SEC. 439. STATE LEGISLATIVE AUTHORITY.

Section 191is amended—

(1) in subsection (a), by striking ''consistent with the provisions of this title'' and inserting ''consistent with State law and the provisions of this title''; and

(2) in subsection (a), by striking ''consistent with the terms and conditions required under this title'' and inserting ''consistent with State law and the terms and conditions required under this title''.

SEC. 440. WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT.

(a) WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT.—Section 192 (29 U.S.C. 2942) is amended to read as follows:

''SEC. 192. WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT.

''(a) WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT PLANS.—

''(1) IN GENERAL.—The Secretary, in cooperation with other federal agency heads responsible for the administration of programs included in plans submitted under this subsection, may approve Workforce Innovation in Regional Economic Development (in this subsection referred to as WIRED) plans submitted by a State pursuant to paragraph (2) to support the development of regional economies in order to foster economic development, expand employment, and advancement opportunities for workers and to promote the creation of high-skill and high-wage opportunities.

''(2) CONTENTS OF PLAN.—To have a WIRED plan approved under this subsection, a State and the region or regions identified in subparagraph (A) shall jointly submit a plan to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) the identification of the multi-county region or regions that is to be the focus of the activities provided under the plan, including identification of the communities in the region that share common characteristics, and a description of why the selected area comprises a regional economy;

''(B) a description of the broad-based regional partnership that has been created for the region identified in subparagraph (A) representing the major assets of the region, consistent with the requirements of paragraph (3), and that will assist in developing the economic vision described in subparagraph (D), the strategies described in subparagraph (E), and provide a forum for regional economic decision-making, including a description of the partnership's involvement, particularly that of representatives of affected local boards and chief elected officials, in the development of the plan;

''(C) a description of the assets of the region identified in subparagraph (A), based on a regional assessment, and identification of the strengths, weaknesses, opportunities, and risks based on those assets;

''(D) a description of an economic vision for the region identified in subparagraph (A), based on the identified strengths and assets described in subparagraph (C), and evidence of support for that vision from the broad-based regional partnership described in subparagraph (B);

''(E) a description of the talent development and related strategies that provide a blueprint for how to achieve the economic vision for the region as described in subparagraph (D), including the activities to be carried out under this subsection, consistent with paragraphs (5) and (6), and the identification of specific goals associated with those strategies;

''(F) information on the workforce development programs to be integrated in the region, in accordance with the requirements of paragraph (4), into an integrated workforce development program, including—

''(i) identification of the programs to be integrated;

''(ii) the amount and proportion of the resources available to the region under each of the integrated programs to carry out the strategies described in subparagraph (E);

''(iii) a description of how these resources will be used to accomplish the vision identified in subparagraph (D), including the services to be provided and how such services will be provided, consistent with clause (iv) and paragraph (5);

''(iv) assurances that in carrying out the wired plan—

''(I) the region, through the integrated workforce development program, will maintain a local workforce investment board, or a regional workforce investment board, that is substantially similar to the local workforce investment boards required under section 117 of this Act, that such board will carry out functions that are substantially similar to those described under section 117(d), and, that such region shall submit to the State for approval a local plan for the region that is substantially similar to the local plans required under section 118 of this Act;

''(II) the region, through the integrated workforce development program, will maintain a one-stop delivery system that is consistent with the requirements of section 121 of this Act;

''(III) the region, through the integrated workforce development program, will serve populations consistent with the populations served by the programs being integrated, and will provide universal access to work ready services as described in section 134(d)(2) of this Act;

''(IV) the region, in carrying out the integrated workforce development program, will comply with the veterans' priority of service requirement under section 4215 of title 38, United States Code;

''(V) of the funds expended under the integrated workforce development program each year, not more than 10 percent of such funds will be expended on the costs of administration (as defined by the Secretary);

''(VI) the services provided under the integrated workforce development program will be coordinated with employment-related programs not included under the integrated workforce program;

''(VII) the region, in carrying out the integrated workforce development program, will comply with requirements under this title relating to wage and labor standards (including nondisplacement provisions), grievance procedures and judicial review, and nondiscrimination;

''(G) an assurance that each local workforce board and chief elected official included in the region that will carry out the integrated workforce development plan has approved the plan;

''(H) information on the community and economic development programs, if any, that will provide a portion of funds that will be integrated to carry out the strategies described in subparagraph (E), in accordance with the requirements of paragraph (6), including—

''(i) identification of the included community and economic development programs;

''(ii) the amount and proportion of the resources available to the State under each such program that will be used in the region to carry out the strategies described in subparagraph (E);

''(iii) a description of how these resources will be used to assist in accomplishing the vision identified in subparagraph (D), including the activities to be carried out;

''(I) in addition to the resources described under subparagraphs (F) and (G), identification of other resources that will be used to support the strategies of the region described in subparagraph (E), from a wide range of sources, including foundations, private investment such as venture capital, and federal, state, and local governments.

''(3) BROAD-BASED REGIONAL PARTNERSHIP.—For purposes of this subsection, a broad-based regional partnership—

''(A) shall include—

''(i) representatives from each of the local workforce investment systems in the region identified under paragraph (2)(A), such as the chairpersons or executive directors of affected local workforce investment boards in such region;

''(ii) representatives of the education system in the region identified under paragraph (2)(A), including representatives from each of the following:

''(I) The K–12 public school systems;

''(II) Community colleges; and

''(III) Four-year educational institutions;

''(iii) representatives of businesses and industry associations in the region identified under paragraph (2)(A);

''(iv) the chief elected officials from each of the affected local areas identified under paragraph (2)(A); and

''(v) representatives of local and regional economic development agencies in the region identified under paragraph (2)(A); and

''(B) may include—

''(i) representatives of the philanthropic community;

''(ii) representatives of postsecondary education and training providers in addition to those described in subparagraph (A)(ii);

''(iii) representatives of private investment entities such as seed and venture capital organizations; investor networks; and entrepreneurs;

''(iv) representatives of faith and community-based organizations; and

''(v) representatives of such other Federal, state or local entities and organizations that may enhance the carrying out of the activities of the partnership.

''(4) INTEGRATION OF WORKFORCE DEVELOPMENT SERVICES AUTHORIZED.—

''(A) AUTHORIZATION FOR INTEGRATION.—In carrying out this subsection, the Secretary of Labor, in cooperation with the federal agency heads responsible for the administration of the workforce development programs described in subparagraph (D) that are included in the WIRED plan submitted by the State, shall, upon the approval of the plan submitted under paragraph (2), authorize the State to integrate programs as described in subparagraph (B).

''(B) INTEGRATION.—The authorization shall give the State the authority to integrate, in accordance with such approved plan, the federally-funded programs described in subparagraph (D) that are included in the approved plan, in a manner that integrates those programs into a single, coordinated, comprehensive workforce development program to achieve the economic vision identified in such plan for the region.

''(C) EFFECT ON PROGRAM REQUIREMENTS.—The provisions of the approved grant application and the requirements of this subsection shall supersede the requirements of the statutes authorizing the programs included for integration in such approved plan, except as otherwise specified in this subsection.

''(D) INCLUDED WORKFORCE DEVELOPMENT PROGRAMS.—

''(i) MANDATORY PROGRAMS.—A WIRED plan authorized under this subsection shall include the workforce investment activities for adults authorized under chapter 5 of subtitle B.

''(ii) ADDITIONAL PROGRAMS.—In addition to the integration of the programs described in clause (i) into a single program, a WIRED plan may include integration of one or more of the following programs as part of such single program—

''(I) the program of workforce investment activities for youth authorized under chapter 4 of subtitle B; or

''(II) any of the other required one-stop partner programs and activities described in section 121(b)(1)(B) of this Act.

''(5) WORKFORCE DEVELOPMENT ACTIVITIES TO BE CARRIED OUT UNDER WIRED PLAN.—The workforce development activities carried out under a WIRED plan may include—

''(A) job training and related activities for workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in industries or economic sectors projected to experience significant growth in the region identified in paragraph (2)(A), including—

''(i) activities supporting talent development related to entrepreneurship and small business development; and

''(ii) the purchase of equipment to train job seekers and workers for high-growth occupations;

''(B) activities to enhance the training and related activities described in subparagraph (A) and to promote workforce development in the region identified in paragraph (2)(A), including—

''(i) the development and implementation of model activities, such as developing appropriate curricula to build core competencies and train workers in the region;

''(ii) identifying and disseminating career and skill information relating to the region;

''(iii) developing or purchasing regional data tools or systems to deepen understanding of the regional economy and labor market; and

''(iv) integrated regional planning, such as increasing the integration of community and technical college activities with activities of businesses and the public workforce investment system to meet the training needs of high growth industries in the region.

''(C) appropriate employment-related activities and services authorized under the workforce development programs that are integrated under the plan in accordance with paragraphs (2)(F) and (4) that will assist achieving the economic vision described in paragraph (2)(D) and in implementing the strategies described in paragraph (2)(E).

''(6) INTEGRATION OF COMMUNITY AND ECONOMIC DEVELOPMENT FUNDS AUTHORIZED.—

''(A) AUTHORIZATION FOR INTEGRATION OF FUNDS.—In carrying out this subsection, the Secretary of Labor, in cooperation with the federal agency heads responsible for the administration of the community and economic development programs described in subparagraph (D) that are included in the WIRED plan submitted by the State, shall, upon the approval of the plan submitted under paragraph (2), authorize the State to integrate the portion of the funds from such programs to assist in implementing such plans.

''(B) INTEGRATION.—The authorization shall give the State the authority to integrate, in accordance with such approved plan, funds provided under programs identified from subparagraph (D) to carry out the community and economic development activities described in paragraph (2)(G).

''(C) EFFECT ON PROGRAM REQUIREMENTS.—The integrated funds may be used, consistent with the description contained in paragraph (2)(G), to carry out any of the activities authorized under any the programs described in subparagraph (D) that are included in the plan.

''(D) INCLUDED COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS.—The funds that may be integrated under this paragraph are funds provided under—

''(i) Community Development Block Grants authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301–5321);

''(ii) grants authorized under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

''(iii) Public Works and Economic Development Grants authorized under section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141);

''(iv) Rural Business Enterprise Grants authorized under the Consolidated Farm and Rural Development Act (7 U.S.C. 1932);

''(v) Rural Business Opportunity Grants authorized under section 741(a)(11) of the Federal Agriculture Improvement and Reform Act of 1996 (42 U.S.C. 1926(a)(11);

''(vi) grants authorized under the Brownfields Economic Development Initiative; and

''(vii) Rural Housing and Economic Development grants.

''(7) SPECIAL RULE.—If a State elects not to submit a WIRED plan described in paragraph (2) for approval or does not have a plan approved under paragraph (2), the Secretary may approve a WIRED plan submitted by a local workforce investment board or a regional workforce investment board that serves a region within such State, if the plan meets all other requirements of this section.

''(8) PERFORMANCE MEASURES AND REPORTING.—

''(A) PERFORMANCE MEASURES.—The Secretary shall establish performance measures that will be used to evaluate the effectiveness of activities carried out under this subsection and shall require such entities to report to the Secretary on the employment outcomes obtained by individuals receiving training under this subsection using those core indicators of performance described in section 136(b)(2).

''(B) REPORTING.—Each State with an approved plan under this subsection shall ensure that records are maintained and reports are submitted, in such form and containing such information, as the Secretary may require regarding the performance of programs and activities carried out under this subsection.

''(9) TECHNICAL ASSISTANCE AND EVALUATION.—

''(A) TECHNICAL ASSISTANCE.—The Secretary shall provide such staff training, technical assistance, and other activities as the Secretary deems appropriate to support the implementation of this subsection.

''(B) EVALUATION.—The Secretary may require that States with an approved plan under this subsection to participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).

''(10) PLAN REVIEW.—Upon receipt of a WIRED plan from the Governor, the Secretary shall consult with the Federal agency head responsible for the administration of any of the programs included in the plan pursuant to paragraph (4) or (6).

''(11) FEDERAL RESPONSIBILITIES.—

''(A) INTERAGENCY MEMORANDUM OF UNDERSTANDING.—Within 90 days following the date of enactment of this subsection, the Secretary and the federal agency heads responsible for programs that could be included in a plan approved under this subsection pursuant to paragraph (4) or (6) shall enter into an interdepartmental memorandum of agreement providing for the implementation of WIRED plans with respect to the integration of programs and funds administered by each Secretary.

''(B) INTERAGENCY FUNDS TRANSFERS AUTHORIZED.—The Secretary and the federal

agency heads responsible for the programs that are included in a plan approved under paragraph (4) or (6) are authorized to take such action as may be necessary to provide for intra-agency or interagency transfers of funds otherwise available to a State in order to further the purposes of this subsection.

''(12) ADMINISTRATION OF FUNDS.—

''(A) SEPARATE RECORDS NOT REQUIRED.—Nothing in this subsection shall be construed as requiring the region to maintain separate records tracing any services or activities conducted under an approved WIRED plan to the programs under which funds were originally authorized, nor shall the State be required to allocate expenditures among such programs.

''(B) SINGLE AUDIT ACT.—Nothing in this section shall be construed to interfere with the ability of the Secretary to fulfill the responsibilities for the safeguarding of Federal funds pursuant to the Single Audit Act of 1984.

''(b) AUTHORITY TO CARRY OUT ADDITIONAL WIRED ACTIVITIES UNDER WIA.—

''(1) AUTHORIZATION FOR USE OF CERTAIN FUNDS UNDER WIA.—Funds available under sections 128(a), 133(a), 171, and 173 of this Act may be used by recipients and subrecipients of those funds for WIRED activities, as defined in paragraph (2), in addition to the other activities for which such funds are authorized to be used.

''(2) DEFINITION.—For purposes of this subsection, WIRED activities include—

''(A) WIRED planning activities, including—

''(i) defining the regional economy;

''(ii) creating a broad-based regional partnership that assists in developing the economic vision described in clause (iv), the strategies described in clause (v), and that provides a forum for regional economic decision-making;

''(iii) conducting an assessment of the regional economy to map the assets of a region and identify the strengths, weaknesses, opportunities and risks based on those assets;

''(iv) developing an economic vision based on those strengths and assets;

''(v) developing strategies and corresponding implementation plans that identify specific goals and tasks and provides a blueprint for how to achieve the economic vision for the region; and

''(vi) identifying resources to support the plan of the region;

''(B) job training and related activities for workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in industries or economic sectors projected to experience significant growth in the region, including—

''(i) activities supporting talent development related to entrepreneurship and small business development in the region; and

''(ii) the purchase of equipment to train job seekers and workers for high-growth occupations in the region; and

''(C) activities to enhance training and related activities and to promote workforce development in the region, including—

''(i) the development and implementation of model activities, such as developing appropriate curricula to build core competencies and train workers in the region;

''(ii) identifying and disseminating career and skill information relating to the region;

''(iii) developing or purchasing regional data tools or systems to deepen understanding of the regional economy and labor market; and

''(iv) integrated regional planning, such as increasing the integration of community and technical college activities with activities of businesses and the public workforce investment system to meet the training needs of businesses in the region.''.

SEC. 441. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended—

(1) in paragraph (7) by inserting at the end the following:

''(D) Funds received by a public or private nonprofit entity that are not described in paragraph (B), such as funds privately raised from philanthropic foundations, businesses, or other private entities, shall not be considered to be income under this title and shall not be subject to the requirements of this section.'';

(2) by adding at the end the following new paragraphs:

''(14) Funds provided under this title shall not be used to establish or operate standalone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)). For purposes of this paragraph, such an enterprise does not include one-stop centers.

''(15) Any report required to be submitted to Congress, or to a Committee of Congress, under this title shall be submitted to both the chairmen and ranking minority members of the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''.

Subtitle B—Adult Education, Basic Skills, and Family Literacy Education

SEC. 451. TABLE OF CONTENTS.

The table of contents in section 1(b) is amended by amending the items relating to title II to read as follows:

SEC. 452. AMENDMENT.

Title II (29 U.S.C. 2901 et seq.) is amended to read as follows:

''TITLE II—ADULT EDUCATION, BASIC SKILLS, AND FAMILY LITERACY EDUCATION

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Education, Basic Skills, and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their literacy skills, including their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult education, basic skills, and family literacy education programs, in order to—

''(1) increase the literacy of adults, including the basic reading, writing, speaking, and math skills, to a level of proficiency necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) assist adults who are parents to enable them to support the educational development of their children and make informed choices regarding their children's education including, through instruction in basic reading, writing, speaking, and math skills; and

''(4) assist immigrants who are not proficient in English in improving their reading, writing, speaking, and math skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.

''SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT EDUCATION, BASIC SKILLS, AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult education, basic skills, and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematical computations leading to a level of proficiency equivalent to at least a secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent and have not achieved an equivalent level of education; or

''(iii) are unable to read, write, or speak the English language.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the primary entity or agency in a State or an outlying area responsible for administering or supervising policy for adult education, basic skills, and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means—

''(A) a local educational agency;

''(B) a community-based or faith-based organization of demonstrated effectiveness;

''(C) a volunteer literacy organization of demonstrated effectiveness;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult education, basic skills, and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction designed to help individuals with limited English proficiency achieve competence in reading, writing, and speaking the English language.

''(5) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965.

''(6) FAMILY LITERACY EDUCATION PROGRAM.—The term 'family literacy education program' means an educational program that—

''(A) assists parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

''(B) is of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, is based upon scientifically based research, and, for the purpose of substantially increasing the ability of parents and children to read, write, and speak English, integrates—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(7) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(8) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(9) INDIVIDUAL WITH LIMITED ENGLISH PROFICIENCY.—The term 'individual with limited English proficiency' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given to that term in section 101 of the Higher Education Act of 1965.

''(11) LITERACY.—The term 'literacy' means an individual's ability to read, write, and speak in English, compute, and solve problems at a level of proficiency necessary to obtain employment and to successfully make the transition to postsecondary education.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given to that term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) READING.—The term 'reading' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965.

''(16) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(17) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(18) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(19) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(20) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, a family literacy education program, or an adult education, basic skills, and family literacy education program.

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $590,127,000 for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012.

''CHAPTER 1—FEDERAL PROVISIONS

''SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve up to 1.72 percent for incentive grants under section 213;

''(2) shall reserve 1.75 percent to carry out section 242; and

''(3) shall reserve up to 1.55 percent to carry out section 243.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent; and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for the Republic of Palau becomes effective.

''(3) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c), and subject to paragraphs (2) and (3), for fiscal year 2008 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) EXCEPTION.—An eligible agency that receives for the preceding fiscal year only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment equal to 100 percent of the initial allotment.

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment

under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

''SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, composed of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education, basic skills, and family literacy education programs funded under this title, in order to optimize the return on investment of Federal funds in adult education, basic skills, and family literacy education programs.

''(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

''(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) employment performance indicators identified by the eligible agency under paragraph (2)(B); and

''(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

''(i) Measurable improvements in literacy, including basic skill levels in reading, writing, and speaking the English language and basic math, leading to proficiency in each skill.

''(ii) Receipt of a secondary school diploma, General Educational Development credential (GED), or other State-recognized equivalent.

''(iii) Placement in postsecondary education or other training programs.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—Consistent with applicable Federal and State privacy laws, an eligible agency shall identify in the State plan the following individual participant employment performance indicators:

''(i) Entry into employment.

''(ii) Retention in employment.

''(iii) Increase in earnings.

''(3) LEVELS OF PERFORMANCE.—

''(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

''(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult education, basic skills, and family literacy education programs authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

''(I) be expressed in an objective, quantifiable, and measurable form; and

''(II) show the progress of the eligible agency toward continuously and significantly improving the agency's performance outcomes in an objective, quantifiable, and measurable form.

''(ii) IDENTIFICATION IN STATE PLAN.—Each eligible agency shall identify, in the State plan submitted under section 224, expected levels of performance for each of the core indicators of performance for the first 3 program years covered by the State plan.

''(iii) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 3 YEARS.—In order to ensure an optimal return on the investment of Federal funds in adult education, basic skills, and family literacy education programs authorized under this title, the Secretary and each eligible agency shall reach agreement on levels of student performance for each of the core indicators of performance, for the first 3 program years covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

''(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

''(I) how the levels involved compare with the eligible agency's adjusted levels of performance, taking into account factors including the characteristics of participants when the participants entered the program; and

''(II) the extent to which such levels promote continuous and significant improvement in performance on the student proficiency measures used by such eligible agency and ensure optimal return on the investment of Federal funds.

''(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR SECOND 3 YEARS.—Prior to the fourth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of student performance for each of the core indicators of performance for the fourth, fifth, and sixth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

''(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(I), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised.

''(B) LEVELS OF EMPLOYMENT PERFORMANCE.—The eligible agency shall identify, in the State plan, eligible agency levels of performance for each of the employment performance indicators described in paragraph (2)(B). Such levels shall be considered to be eligible agency adjusted levels of performance for purposes of this title.

''(c) DEFINITIONS FOR INDICATORS OF PERFOMANCE.—In order to ensure comparability of performance data across States, the Secretary shall issue definitions for the indicators of performance under paragraph (2).

''(d) REPORT.—

''(1) IN GENERAL.—Each eligible agency that receives a grant under section 211(b) shall annually prepare and submit to the Secretary, the Governor, the State legislature, and eligible providers a report on the progress of the eligible agency in achieving eligible agency performance measures, including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance and employment performance indicators.

''(B) The number and type of each eligible provider that receives funding under such grant.

''(2) INFORMATION DISSEMINATION.—The Secretary—

''(A) shall make the information contained in such reports available to the general public through publication (including on the Internet site of the Department of Education) and other appropriate methods;

''(B) shall disseminate State-by-State comparisons of the information; and

''(C) shall provide the appropriate committees of the Congress with copies of such reports.

''SEC. 213. INCENTIVE GRANTS FOR STATES.

''(a) IN GENERAL.—From funds appropriated under section 211(a)(1), the Secretary may award grants to States for exemplary performance in carrying out programs under this title. Such awards shall be based on States exceeding the core indicators of performance established under section 212(b)(2)(A) and may be based on the performance of the State in serving populations, such as those described in section 224(b)(10), including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines appropriate.

''(b) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under this title, including demonstrations and innovative programs for hard-to-serve populations.

''CHAPTER 2—STATE PROVISIONS

''SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

''SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $75,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult education, basic skills, and family literacy education programs for which the grant is awarded, a non-

Federal contribution in an amount at least equal to—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult education, basic skills, and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult education, basic skills, and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult education, basic skills, and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult education, basic skills, and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.

''(2) The provision of technical assistance to eligible providers of adult education, basic skills, and family literacy education programs, including for the development and dissemination of scientifically based research instructional practices in reading, writing, speaking, math, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The provision of technology assistance, including staff training, to eligible providers of adult education, basic skills, and family literacy education programs, including distance learning activities, to enable the eligible providers to improve the quality of such activities.

''(5) The development and implementation of technology applications or distance learning, including professional development to support the use of instructional technology.

''(6) Coordination with other public programs, including welfare-to-work, workforce development, and job training programs.

''(7) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education, basic skills, and family literacy education programs, for adults enrolled in such activities.

''(8) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(9) Activities to promote workplace literacy programs.

''(10) Activities to promote and complement local outreach initiatives described in section 243(7).

''(11) Other activities of statewide significance, including assisting eligible providers in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(12) Integration of literacy, instructional, and occupational skill training and promotion of linkages with employees.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

''SEC. 224. STATE PLAN.

''(a) 6-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 6-year State plan.

''(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult education, basic skills, and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult education, basic skills, and family literacy education programs that will be carried out with funds received under this title;

''(3) a description of how the eligible agency will evaluate and measure annually the effectiveness and improvement of the adult education, basic skills, and family literacy education programs based on the performance measures described in section 212 including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this title and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance);

''(4) a description of the performance measures described in section 212 and how such performance measures have significantly improved adult education, basic skills, and family literacy education programs in the State or outlying area;

''(5) an assurance that the eligible agency will, in addition to meeting all of the other requirements of this title, award not less than one grant under this title to an eligible provider that—

''(A) offers flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities, or individuals with other special needs, to participate in adult education, basic skills, and family literacy education programs; and

''(B) attempts to coordinate with support services that are not provided under this title prior to using funds for adult education, basic skills, and family literacy education programs provided under this title for support services;

''(6) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(7) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(8) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(9) a description of the process that will be used for public participation and comment with respect to the State plan, which process—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, other State agencies that promote the improvement of adult education, basic skills, and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult education, basic skills, and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(10) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

''(11) a description of how the adult education, basic skills, and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult education, basic skills, and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult education, basic skills, and family literacy education programs;

''(13) an assessment of the adequacy of the system of the State or outlying area to ensure teacher quality and a description of how the State or outlying area will use funds received under this subtitle to improve teacher quality, including professional development on the use of scientifically based research to improve instruction; and

''(14) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—A State plan submitted to the Secretary shall be approved by the Secretary only if the plan is consistent with the specific provisions of this title.

''SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and math programs; and

''(4) secondary school credit or diploma programs or their recognized equivalent.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITIONS.—For purposes of this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

''CHAPTER 3—LOCAL PROVISIONS

''SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multiyear grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult education, basic skills, and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate one or more programs of instruction that provide services or instruction in one or more of the following categories:

''(1) Adult education, basic skills, and family literacy education programs (including proficiency in reading, writing, speaking, and math).

''(2) Workplace literacy programs.

''(3) English language acquisition programs.

''(4) Family literacy education programs.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or limited English proficiency;

''(4) the program—

''(A) is of sufficient intensity and duration for participants to achieve substantial learning gains; and

''(B) uses instructional practices that include the essential components of reading instruction;

''(5) educational practices are based on scientifically based research;

''(6) the activities of the eligible provider effectively employ advances in technology, as appropriate, including the use of computers;

''(7) the activities provide instruction in real-life contexts, when appropriate, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) the activities are staffed by well-trained instructors, counselors, and administrators;

''(9) the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) the activities include a high-quality information management system that has the capacity to report measurable participant outcomes and to monitor program performance against the performance measures established by the eligible agency;

''(12) the local communities have a demonstrated need for additional English language acquisition programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) adult education, basic skills, and family literacy education programs offer rigorous reading, writing, speaking, and math content that are based on scientifically based research; and

''(15) applications of technology, and services to be provided by the eligible providers, are of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education, basic skills, and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult education, basic skills, and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

''CHAPTER 4—GENERAL PROVISIONS

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult education, basic skills, and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult education, basic skills, and family literacy education programs.

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—

''(A) DETERMINATION.—An eligible agency may receive funds under this title for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year, were not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education, basic skills, and family literacy education programs, in the third preceding fiscal year.

''(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

''(i) shall determine the percentage decreases in such effort or in such expenditures; and

''(ii) shall decrease the payment made under this title for such program year to the agency for adult education, basic skills, and family literacy education programs by the lesser of such percentages.

''(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

''(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult education, basic skills, and family literacy education programs under this title for a fiscal year is less than the amount made available for adult education, basic skills, and family literacy education programs under this title for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(4) WAIVER.—The Secretary may waive the requirements of this subsection for not more than 1 fiscal year, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

''SEC. 242. NATIONAL INSTITUTE FOR LITERACY.

''(a) IN GENERAL.—

''(1) PURPOSE.—The purpose of the National Institute for Literacy is to promote the improvement of literacy, including skills in reading, writing, and English language acquisition for children, youth, and adults, through practices derived from the findings of scientifically based research.

''(2) ESTABLISHMENT.—There is established a National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered under the terms of an interagency agreement entered into, reviewed annually, and modified as needed by the Secretary of Education with the Secretary of Health and Human Services and the Secretary of Labor (in this section referred to as the 'Interagency Group').

''(3) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Health and Human Services, and the Department of Labor.

''(4) ADMINISTRATIVE SUPPORT.—The Department of Education shall provide administrative support for the Institute.

''(5) DAILY OPERATIONS.—The Director of the Institute shall administer the daily operations of the Institute.

''(b) DUTIES.—

''(1) IN GENERAL.—To carry out its purpose, the Institute may—

''(A) identify and disseminate rigorous scientific research on the effectiveness of instructional practices and organizational strategies relating to programs on the acquisition of skills in reading, writing, and English language acquisition for children, youth, and adults;

''(B) create and widely disseminate materials about the acquisition and application of skills in reading, writing, and English language acquisition for children, youth, and adults based on scientifically based research;

''(C) ensure a broad understanding of scientifically based research on reading, writing, and English language acquisition for children, youth, and adults among Federal agencies with responsibilities for administering programs that provide related services, including State and local educational agencies;

''(D) facilitate coordination and information sharing among national organizations and associations interested in programs that provide services to improve skills in reading, writing, and English language acquisition for children, youth, and adults;

''(E) coordinate with the appropriate offices in the Department of Education, the Department of Health and Human Services, the Department of Labor, and other Federal agencies to apply the findings of scientifically based research related to programs on reading, writing, and English language acquisition for children, youth, and adults;

''(F) establish a national electronic database and Internet site describing and fostering communication on scientifically based programs in reading, writing, and English language acquisition for children, youth, and adults, including professional development programs; and

''(G) provide opportunities for technical assistance, meetings, and conferences that will foster increased coordination among Federal, State, and local agencies and entities and improvement of reading, writing, and English language acquisition skills for children, youth, and adults.

''(2) COORDINATION.—In identifying scientifically based research on reading, writing, and English language acquisition for children, youth, and adults, the Institute shall use standards for research quality that are consistent with those established by the Institute of Education Sciences.

''(3) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—

''(A) IN GENERAL.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such individuals, institutions, agencies, or organizations, to carry out the activities of the Institute.

''(B) REGULATIONS.—The Director may adopt the general administrative regulations of the Department of Education, as applicable, for use by the Institute.

''(C) RELATION TO OTHER LAWS.—The duties and powers of the Institute under this title are in addition to the duties and powers of the Institute under subparts 1, 2, and 3 of part B of the Elementary and Secondary Education Act of 1965 (commonly referred to as Reading First, Early Reading First, and the William F. Goodling Even Start Family Literacy Program, respectively).

''(c) VISITING SCHOLARS.—The Institute may establish a visiting scholars program, with such stipends and allowances as the Director considers necessary, for outstanding researchers, scholars, and individuals who—

''(1) have careers in adult education, workforce development, or scientifically based reading, writing, or English language acquisition; and

''(2) can assist the Institute in translating research into practice and providing analysis that advances instruction in the fields of reading, writing, and English language acquisition for children, youth, and adults.

''(d) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the National Institute for Literacy Advisory Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its purpose. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

''(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board (in this section referred to as the 'Board'), which shall consist of 10 individuals appointed by the President with the advice and consent of the Senate.

''(B) QUALIFICATIONS.—The Board shall be composed of individuals who—

''(i) are not otherwise officers or employees of the Federal Government; and

''(ii) are knowledgeable about current effective scientifically based research findings on instruction in reading, writing, and English language acquisition for children, youth, and adults.

''(C) COMPOSITION.—The Board may include—

''(i) representatives of business, industry, labor, literacy organizations, adult education providers, community colleges, students with disabilities, and State agencies, including State directors of adult education; and

''(ii) individuals who, and representatives of entities that, have been successful in improving skills in reading, writing, and English language acquisition for children, youth, and adults.

''(2) DUTIES.—The Board shall—

''(A) make recommendations concerning the appointment of the Director of the Institute;

''(B) provide independent advice on the operation of the Institute;

''(C) receive reports from the Interagency Group and the Director; and

''(D) review the biennial report to the Congress under subsection (k).

''(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board shall be subject to the provisions of the Federal Advisory Committee Act.

''(4) APPOINTMENTS.—

''(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which one-third of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

''(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

''(5) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number may hold hearings. A recommendation of the Board may be passed only by a majority of the Board's members present at a meeting for which there is a quorum.

''(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

''(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

''(f) GIFTS, BEQUESTS, AND DEVISES.—

''(1) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

''(2) RULES.—The Board shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out the responsibilities of the Institute or employee, or official duties, in a fair and objective manner, or would compromise the integrity, or the appearance of the integrity, of the Institute's programs or any official involved in those programs.

''(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

''(h) DIRECTOR.—The Secretary of Education, after considering recommendations made by the Board and consulting with the Interagency Group, shall appoint and fix the pay of the Director of the Institute and, when necessary, shall appoint an Interim Director of the Institute.

''(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

''(j) EXPERTS AND CONSULTANTS.—The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

''(k) BIENNIAL REPORT.—

''(1) IN GENERAL.—The Institute shall submit a report biennially to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate. Each report submitted under this subsection shall include—

''(A) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in identifying and describing programs on reading, writing, and English language acquisition for children, youth, and adults for the period covered by the report; and

''(B) a description of how plans for the operation of the Institute for the succeeding 2 fiscal years will facilitate achievement of the purpose of the Institute.

''(2) FIRST REPORT.—The Institute shall submit its first report under this subsection to the Congress not later than 1 year after the date of the enactment of the Workforce Investment Improvement Act of 2007.

''(l) ADDITIONAL FUNDING.—In addition to the funds authorized under section 205 and reserved for the Institute under section 211, the Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, or the head of any other Federal agency or department that participates in the activities of the Institute may provide funds to the Institute for activities that the Institute is authorized to perform under this section.

''SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

''The Secretary shall establish and carry out a program of national leadership activities that may include the following:

''(1) Technical assistance, on request, including assistance—

''(A) on request to volunteer community- and faith-based organizations, including but not limited to, improving their fiscal management, research-based instruction, and reporting requirements, and the development of measurable objectives to carry out the requirements of this title;

''(B) in developing valid, measurable, and reliable performance data, and using performance information for the improvement of adult education basic skills, English language acquisition, and family literacy education programs;

''(C) on adult education professional development; and

''(D) in using distance learning and improving the application of technology in the classroom, including instruction in English language acquisition for individuals who have limited English proficiency.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of limited English proficient adults functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult education basic skills, English language acquisition, and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult education basic skills, English language acquisition, and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, including programs for individuals with limited English proficiency coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Supporting the development of an entity that would produce and distribute technology-based programs and materials for adult education, basic skills, and family literacy education programs using an intercommunication system, as that term is defined in section 397 of the Communications Act of 1934, and expand the effective outreach and use of such programs and materials to adult education eligible providers.

''(8) Initiating other activities designed to improve the measurable quality and effectiveness of adult education basic skills, English language acquisition, and family literacy education programs nationwide.''.

Subtitle C—Amendments to the Wagner–Peyser Act

SEC. 461. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14 by inserting ''of Labor'' after ''Secretary''; and

(3) by amending section 15 to read as follows:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

''(iii) shall meet the needs for the information identified in section 134(d);

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) disclose to the public any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning an individual subject to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i),

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of workforce and labor market information for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels.

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of work ready services described in section 134 and to provide workforce information to individuals through the one-stop delivery systems described in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the 6 Federal regions of the Bureau of Labor Statistics, elected (pursuant to a process established by the Secretary) from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

''(e) STATE RESPONSIBILITIES.—

''(1) IN GENERAL.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan;

''(B) establish a process for the oversight of such system;

''(C) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(D) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(E) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(F) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(G) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(H) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(I) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(J) participate in the development of the annual plan described in subsection (c); and

''(K) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a Governor to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2008 through 2012.

''(h) DEFINITION.—In this section, the term 'local area' means the smallest geographical area for which data can be produced with statistical reliability.''.

Subtitle D—Amendments to the Rehabilitation Act of 1973

SEC. 471. FINDINGS.

Section 2(a) of the Rehabilitation Act of 1973 (29 U.S.C. 701(a)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) there is a substantial need to improve and expand services for students with disabilities under this Act.''.

SEC. 472. REHABILITATION SERVICES ADMINISTRATION.

Section 3(a) of the Rehabilitation Act of 1973 (29 U.S.C. 702(a)) is amended—

(1) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(2) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary, except that the Commissioner appointed under the authority existing on the day prior to the date of enactment of the Workforce Investment Improvement Act of 2007 may continue to serve in the former capacity''; and

(3) by striking '', and the Commissioner shall be the principal officer,''.

SEC. 473. DIRECTOR.

(a) IN GENERAL.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by striking ''Commissioner'' each place it appears, except in sections 3(a) (as amended by section 472) and 21, and inserting ''Director'';

(2) in section 100(d)(2)(B), by striking ''commissioner'' and inserting ''director'';

(3) in section 706, by striking ''commissioner'' and inserting ''director''; and

(4) in section 723(a)(3), by striking ''commissioner'' and inserting ''director''.

(b) EXCEPTION.—Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended—

(1) in subsection (b)(1)—

(A) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration''; and

(B) by striking ''(referred to in this subsection as the 'Director')''; and

(2) by striking ''Commissioner and the Director'' each place it appears and inserting ''both such Directors''.

SEC. 474. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) by redesignating paragraphs (35) through (39) as paragraphs (36), (37), (38), (40), and (41), respectively;

(2) in subparagraph (A)(ii) of paragraph (36) (as redesignated in paragraph (1)), by striking ''paragraph (36)(C)'' and inserting ''paragraph (37)(C)'';

(3) by inserting after paragraph (34) the following:

''(35)(A) The term 'student with a disability' means an individual with a disability who—

''(i) is not younger than 16 and not older than 21;

''(ii) has been determined to be eligible under section 102(a) for assistance under this title; and

''(iii)(I) is eligible for, and is receiving, special education under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) The term 'students with disabilities' means more than 1 student with a disability.''; and

(4) by inserting after paragraph (38) (as redesignated by paragraph (1)) the following:

''(39) The term 'transition services expansion year' means—

''(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2004 by not less than $100,000,000; and

''(B) each fiscal year subsequent to that first fiscal year.''.

SEC. 475. STATE PLAN.

(a) COORDINATION WITH EDUCATION OFFICIALS AND ASSISTIVE TECHNOLOGY PROGRAMS.—Section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)) is amended—

(1) in subparagraph (D)(i) by inserting '', which may be provided using alternative means of meeting participation (such as video conferences and conference calls)'' before the semicolon; and

(2) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit and the lead agency responsible for carrying out duties under the Assistive Technology Act of 1998 (29 U.S.C. 3001), as amended, have developed working relationships and coordinate their activities.''.

(b) ASSESSMENT AND STRATEGIES.—Section 101(a)(15) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(15)) is amended—

(1) in subparagraph (A)

(A) in clause (i)—

(i) in subclause (II), by striking ''and'' at the end;

(ii) in subclause (III), by adding ''and'' at the end; and

(iii) by adding at the end the following:

''(IV) in a transition services expansion year, students with disabilities, including their need for transition services;''; and

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities;''; and

(2) in subparagraph (D)—

(A) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(B) by inserting after clause (ii) the following:

''(iii) in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title or to postsecondary education or employment;''.

(c) SERVICES FOR STUDENTS WITH DISABILITIES.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is further amended by adding at the end the following:

''(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Secretary that the State—

''(A) has developed and implemented strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) from funds reserved under section 110A, shall carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities that—

''(i) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(ii) improve the achievement of post-school goals of students with disabilities, including improving the achievement through participation (as appropriate when vocational goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(iii) provide vocational guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities;

''(iv) support the provision of training and technical assistance to State and local educational agency and designated State agency personnel responsible for the planning and provision of services to students with disabilities; and

''(v) support outreach activities to students with disabilities who are eligible for, and need, services under this title.''.

SEC. 476. SCOPE OF SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a), by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the achievement of the employment outcome identified in the individualized plan for employment, including, in a transition services expansion year, services described in clauses (i) through (iii) of section 101(a)(25)(B);'';

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to post-school activities, including employment.

''(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(iv).

''(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i) and (iii) of section 7(35)(A), including services described in clauses (i), (ii), (iii), and (v) of section 101(a)(25)(B), to assist in the transition from school to post-school activities.''; and

(3) in subsection (b) by inserting at the end, the following:

''(7) The establishment, development, or improvement of assistive technology demonstration, loan, reutilization, or financing programs in coordination with activities authorized under the Assistive Technology Act of 1998 (29 U.S.C. 3001), as amended, to promote access to assistive technology for individuals with disabilities and employers.''.

SEC. 477. STANDARDS AND INDICATORS.

Section 106(a) of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended by striking paragraph (1)(C) and all that follows through paragraph (2) and inserting the following:

''(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that—

''(A) facilitate the accomplishment of the purpose and policy of this title;

''(B) to the maximum extent practicable, are consistent with the core indicators of performance, and corresponding State adjusted levels of performance, established under section 136(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)); and

''(C) include measures of the program's performance with respect to the transition to post-school vocational activities, and achievement of the post-school vocational goals, of students with disabilities served under the program.''.

SEC. 478. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''(a) RESERVATION.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Director under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

''(b) CALCULATION.—The Director shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

''(1) the amount allotted to that State under section 110 for the prior fiscal year, by

''(2) the total amount allotted to all States under section 110 for that prior fiscal year.''.

SEC. 479. CLIENT ASSISTANCE PROGRAM.

Section 112(e)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 732(e)(1)) is amended by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

''(D) The Secretary shall make grants to the protection and advocacy system serving the American Indian Consortium to provide services in accordance with this section. The amount of such grants shall be the same as provided to territories under this subsection.''.

SEC. 480. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509(g)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 794e(g)(2)) is amended by striking ''was paid'' and inserting ''was paid, except that program income generated from such amount shall remain available to such system for one additional fiscal year''.

SEC. 481. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 482. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 is further amended—

(1) in section 100(b)(1) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(2) in section 100(d)(1)(B) by striking ''fiscal year 2003'' and inserting ''fiscal year 2012'';

(3) in section 110(c) by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2008 through 2012.'';

(4) in section 112(h) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(5) in section 201(a) by striking ''fiscal years 1999 through 2003'' each place it appears and inserting ''fiscal years 2008 through 2012'';

(6) in section 302(i) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(7) in section 303(e) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(8) in section 304(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(9) in section 305(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(10) in section 405 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(11) in section 502(j) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(12) in section 509(l) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(13) in section 612 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(14) in section 628 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(15) in section 714 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012'';

(16) in section 727 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012''; and

(17) in section 753 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2008 through 2012''.

SEC. 483. CONFORMING AMENDMENT.

Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.''.

SEC. 484. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2008 through 2012''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2008 through 2012''.

Subtitle E—Transition and Effective Date

SEC. 491. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this title.

SEC. 492. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title, shall take effect on the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 781, the gentleman from Louisiana (Mr. MCCRERY) and a Member opposed each will control 30 minutes.

Mr. LEVIN. Mr. Speaker, I ask that the time in opposition be controlled by the gentleman from Washington (Mr. MCDERMOTT).

The SPEAKER pro tempore. Is the gentleman from Washington opposed to the amendment?

Mr. MCDERMOTT. Yes.

The SPEAKER pro tempore. The gentleman will control 30 minutes.

The Chair recognizes the gentleman from Louisiana.

Mr. MCCRERY. Mr. Speaker, the amendment I offer, along with Mr. MCKEON, is a substitute for the bill that is before the House this afternoon.

Our amendment would reform and reauthorize for 5 years the Trade Adjustment Assistance program, and we believe our substitute would strengthen and improve not only TAA but the Workforce Investment Act program as well.

□ 1330

Our bill would better equip workers affected by trade, globalization, and other causes of job loss with the skills needed to adjust to changes in the global economy.

Our Republican alternative consists of four related pieces of legislation separately introduced this year. Some of these are under the jurisdiction of the Ways and Means Committee; others are under the jurisdiction of the Education and Workforce Committee.

Among other things, our bill would provide more flexible training options to get people into training sooner and back to good jobs more quickly. For example, we've heard some discussion about the plant closing notice. The bill before the House this afternoon would expand the amount of time from 60 days to 90 days that a plant company would have to give notice to employees of either plant closure or a substantial layoff at that plant.

Under the current constriction of TAA, a worker in that plant wishing to, perhaps, go to job training at night after he gets off work, waiting for the expiration of the 60-day notice or the 90-day notice could not qualify for TAA training benefits. Our substitute would correct that and allow that worker to take advantage of trade adjustment assistance while he is still working in that plant that he knows is going to be closed and where he would lose his job.

Number two, our bill would continue the health coverage tax credit over our bill's 5-year life and increase the premium subsidy from 65 percent to 70 percent. Mr. LEVIN earlier talked about how the current 65-percent credit has not been enough to entice a high number of laid-off workers under TAA to claim that credit and get their health care, their health insurance through that method, and he is right. The take-up rate on this benefit has been lower than we expected, and so some adjustment is necessary. Whether that adjustment, the appropriate one to provide the right level of enticement, is 70 percent, or in their bill 85 percent, we don't know. We are willing to go up on that. We think it is appropriate to do that. We've included 70 percent in our bill. And the House should know that that means that a person who is laid off and who is eligible for trade adjustment assistance can get, under our substitute, 70 percent of the premium paid by the government. So, that laid-off worker would only have to come up with 30 percent of the premium to continue coverage under COBRA or to get some other qualified insurance plan.

Number three, our bill would convert the wage insurance pilot program for older workers into a transitional wage supplement for all TAA workers, regardless of their age. It would be allowed for any worker who became reemployed at low wages, low wages being defined as minimum wage plus $2.40 an hour, and allow them to obtain, at the same time they were getting this wage supplement, the health care tax credit and additional trade adjustment training, which right now, if a person goes back to work, under TAA he is not eligible for those benefits. So our bill would expand the availability of the health care tax credit and job training under TAA for people who go back to work and who are receiving a wage supplement.

Number four, our bill would require indicators of performance to evaluate

the Trade Adjustment Assistance programs and their results. Currently, TAA programs have no measure of performance, no way for us to tell if these programs are being effective or if taxpayer dollars are being wasted. Our bill would put in place those indicators of performance to give us the idea of the efficiency of these programs.

Number five, in provisions affecting the unemployment insurance program, our bill would allow States to apply for cost-neutral waivers of current rules to operate wage insurance and other demonstration programs to better assist unemployed workers in returning to work.

Now, Mr. Speaker, I have heard some in opposition to the Republican substitute say that this would allow States to do away with their unemployment insurance benefits. We certainly didn't intend that in our substitute; we don't think that the language would allow that. But in any event, a State would have to get a waiver from the executive branch to take advantage of these provisions, and I doubt seriously if any executive branch under any President would allow a State to just do away with its unemployment insurance benefits. So, I don't really think that's a valid argument in opposition to this increased flexibility that could assist unemployed workers.

And number six, our bill also creates a new trade-related category for qualification under the new markets tax credit. Businesses and communities experiencing adverse economic effects due to trade would qualify for an additional $500 million of new markets tax credits. These tax credits, we believe, would bring significant amounts of private capital into these economically disadvantaged areas to create jobs to replace those that had been lost due to trade.

Mr. Speaker, we believe this substitute is a much more cost-effective approach than that contained in H.R. 3920 and would help all Americans, not just those who lose jobs to trade, get the skills needed to find productive new jobs.

I urge my colleagues to vote for the substitute.

Mr. Speaker, I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend my Republican colleagues for proposing a substitute today. It's healthy for America to see two different views on how we should help dislocated workers.

Democrats want to help more workers who lose their jobs because of trade, especially workers providing services. The Republican substitute says no to helping those workers.

Democrats want to assure more dislocated workers have an opportunity to receive training. The Republican substitute would, instead, cap the amount of training any worker can receive, not to go on and finish a program.

Democrats want to assure health care coverage is affordable for workers losing their jobs by paying 85 percent of their premium. The Republican substitute said, well, 65 wasn't enough, but we'll give you 70. So again, they cut the workers short.

Democrats want a better wage insurance program to help trade-affected workers who are reemployed in jobs that pay less than their prior employment. The Republican substitute guts the program as it presently exists and instead only provides a benefit to those at the very lowest wage jobs.

Republicans don't care if workers have a chance to get a living-wage job; they want to force people back to minimum-wage jobs. Democrats want to help States improve unemployment insurance for all workers who are denied unfairly their benefits, especially women. The Republican substitute goes in the opposite direction by allowing the administration to approve waivers from States that could deny more jobless workers unemployment insurance.

In short, the Democrats want to help workers navigate the global economy. The Republican substitute, on the other hand, tells workers, well, you're still, more or less, on your own.

After this substitute is defeated, I'm hopeful that some of my colleagues on the other side of the aisle will ultimately join us in passing a bill to assist America's workers when they lose their jobs through no fault of their own.

Mr. Speaker, I reserve the balance of my time.

Mr. MCCRERY. Mr. Speaker, before yielding to Mr. MCKEON, I want to point out that the underlying bill, as described by my friend from Washington, does, indeed, double, and then even later triples, the TAA training budget when nearly $300 million of the current budget lies unused. That's just an example of how we think the underlying bill that we oppose goes way too far in expanding this program needlessly.

Mr. Speaker, I yield such time as he may consume to the ranking member of the Education and Labor Committee. I'm sorry, I've been calling it the Education and Workforce Committee. My apologies to the chairman and to the members of that committee. It is now the Education and Labor Committee, and Mr. MCKEON is the ranking member.

Mr. MCKEON. I thank the gentleman for yielding.

You know, it has been 9 years since Congress last reauthorized the Workforce Investment Act, known as WIA. We made dramatic improvements through the last reauthorization, strengthening the nationwide system of one-stop training centers where workers can access a variety of training services.

I remember not too long after we did that, two of the displaced workers in my district, we've lost many jobs for aerospace workers, two of them came up to me and thanked me for having done this because they had been able to go back and get vouchers, receive additional training. One of them was becoming a teacher and one was going to be a computer operator. And we've seen many people benefit from that program. But as yet, it has not been reauthorized this year.

The system has served job seekers well. WIA now integrates employment and training services at the local level in a more unified workforce development system, which it did not do prior to the 1998 reforms. Yet, without renewal today, it cannot possibly keep pace with the rapidly changing needs of workers in a dynamic economy.

Earlier this month, Republicans unveiled a comprehensive road map for reforming both job training and higher education. The Higher Education Act and WIA each play a critical role in keeping Americans competitive by developing the skills and knowledge necessary in a changing economy. Unfortunately, Democrats have not offered proposals to strengthen either of these critical programs.

I am pleased to be joining Representative MCCRERY today in offering a proposal that links our job training reforms with the renewal of the Trade Adjustment Assistance program. These proposals work hand in hand to provide dislocated workers the type of responsive, flexible training and assistance they need to get back to work.

Our proposal will strengthen WIA's infrastructure, eliminate duplication and waste, increase accountability, enhance the role of employers, and increase the State and local flexibility. Together, these reforms will ensure the Nation's workforce development system can respond quickly and effectively to the changing needs of job seekers and those in need of training.

The time for job training is long overdue. The Department of Labor has made efforts to allow flexibility and creativity within the existing system, and numerous stakeholders have proposed innovative new strategies. However, this type of reform has been hampered because Congress has failed to act.

One of the most important steps we can take to strengthen our job training system is to increase program efficiency and focus on results. We must eliminate duplication and redundancy and create a more seamless system that can be flexible based on changing needs.

Our amendment will eliminate current barriers to effective programs and services. We will enhance the services

offered to job seekers, providing greater flexibility and eliminating arbitrary requirements that prevent some workers from getting the services they need.

We also plan to restore long-standing hiring protections to faith-based organizations in order to ensure that they are able to participate fully in the job training system.

To foster regional economic development, the Republican plan would allow regional areas to integrate workforce development programs, one-stop services, and community and economic development funds into a comprehensive workforce development system.

Finally, our plan would strengthen programs targeted towards specific populations, improving adult education, vocational rehabilitation, and youth programs.

Mr. Speaker, I support trade adjustment assistance, and I support its extension and renewal.

I want to recognize Representative MCCRERY for his leadership on this important issue. Our amendment will better integrate TAA with other Federal programs to more effectively equip workers affected by trade, globalization and other causes of job loss with skills they need to adapt to the changing global economy. It will join these TAA improvements to long-overdue job training reforms. We need to update these programs to be competitive worldwide.

I urge my colleagues to join me in voting ''yes'' on the Republican substitute, which will provide a comprehensive approach to helping keep America competitive.

Mr. MCDERMOTT. Mr. Speaker, may I inquire as to how much time is remaining on each side.

The SPEAKER pro tempore. The gentleman from Washington has 28 minutes. The gentleman from Louisiana has 17½ minutes.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I rise in support of TAA assistance and therefore oppose this weakening amendment.

But we should recognize that TAA is a Band-Aid on a self-inflicted wound. Our trade policies are gutting the American economy far beyond the ability of TAA to ameliorate the pain.

What is obvious is the loss of individual industrial plants. What is less visible is the increase in our interest rates and a decline in our national industrial base.

Today, let us adopt the Band-Aid, but let us not use the presence of those Band-Aids as an excuse for further self-inflicted wounds.

□ 1345

Today, we should pass TAA. Tomorrow, let us stop the bleeding. Let us not adopt trade agreements that increase our trade deficit. And let us begin to renegotiate existing trade agreements so that they are based on results rather than based on form.

Let us build an economy where demand for labor is so high that instead of hearing stories of pain from workers, we are hearing from employers fighting for every available employee. Let us hear of a dollar that is more valuable than the Euro and let us have a trade policy that for every dollar of imports, we match it with a dollar of exports. Until then, there are workers who are in pain, who are casualties of our ill-conceived trade policies. They need and deserve our help.

Mr. MCDERMOTT. Mr. Speaker, I yield 1½ minutes to Mr. HODES of New Hampshire.

Mr. HODES. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 3920 and in opposition to the Republican substitute. Last Tuesday, 303 workers in Groveton, New Hampshire, a small paper mill town, heard over the radio and by newspaper the devastating news that Wausau Paper was closing the mill at the end of the year. On Friday, I sent a letter to Labor Secretary Chao asking for expedited help under the existing TAA, and on Monday I traveled to Groveton and met with a number of the affected workers. It is difficult to describe how devastating this closure is to the town of Groveton, to the families of the workers and to the region. Many of the proud workers of that mill are third and fourth generation. They have got no other skills. This is the life they know.

As I explained on Monday to the workers what kind of help is available in the current TAA, the thought that was going through my mind was that this was not enough. We need to do more. These folks, their family, this community need more and deserve more help from the Federal Government. The ripple effects of this closure are huge. It goes out into the community, to other businesses and vendors. That is why the H.R. 3920 provisions to redevelop communities hit by the loss of manufacturing jobs through the designation of manufacturing redevelopment zones is so important.

We've got more workers who need help. They face harder times and higher costs, especially for health care. We need to expand the TAA. Now is not the time to go backwards. The Republican substitute is no substitute. It takes us backwards. I urge my colleagues to vote against the Republican proposal and support H.R. 3920.

Mr. MCDERMOTT. Mr. Speaker, I yield 1½ minutes to Mr. HIGGINS of New York.

Mr. HIGGINS. Mr. Speaker, I represent an area of western New York which includes the Buffalo/Niagara region. Over the past 5 years, that region has lost 25 percent, or 22,000 manufacturing jobs. One of the gentlemen from the other side said that one of the reasons for not updating the program or adjusting it is because there is a $300 million surplus in the program. I would argue that that is the best reason for renewing the program, to include workers who are precluded from benefits today.

I oppose the Republican amendment. The Republican amendment would eviscerate the Trade Adjustment Assistance program and its very purpose. Under the Republican amendment, it would preclude service workers from receiving benefits. Unlike H.R. 3920, the Republican amendment does not cover service workers. Yet according to one study by a leading technology consulting firm, 3.3 million service workers will lose their jobs by 2015.

The Republican amendment would prohibit manufacturing workers whose jobs are offshored to China or India from receiving benefits. Current law precludes those workers from eligibility. 3920 fixes this inequity.

Finally, the Republican amendment would cut worker training benefits. All of the States who have enrolled displaced workers in these programs, the cost exceeds that which is provided in the Republican amendment.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume.

The Republican substitute before the House at this time does not eviscerate anything, much less the TAA program which is reauthorized in the substitute for 5 years exactly as it is. The benefits are the same. The amounts are the same. I don't know where the last speaker got his information, but the substitute certainly does not eviscerate the TAA program. It reauthorizes the existing program for 5 years. Then, in addition, we make some changes in the law that allow those benefits under the TAA to be used in instances where under current law they can't be used, and I have described one of those already in my earlier presentation.

So I hope this House doesn't get the wrong impression about this substitute. It certainly endorses the TAA program. We are for the TAA program. We think it is important. But we think our bill gives a lot more flexibility that is needed in the program and some accountability in the program that is needed. In addition to that, we do provide additional funds in our bill, and it is paid for under the PAYGO rules of the House. I just wanted to make that clear.

I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I thank the gentleman for yielding to me and commend him for his leadership on this issue.

Mr. Speaker, I reluctantly rise in opposition to the substitute being offered

to us today and in strong support of the Trade and Globalization Assistance Act that we have been debating this afternoon.

I believe that in order to forge a renewed consensus in support of trade in this country, we really need to accomplish three things: One is we need a new template on trade agreements, one that I think will be reflected with the Peru trade agreement that will come to the floor next week that calls for core international labor standards and environmental standards in the bulk of the agreement so we begin to level the trading field.

Another important ingredient is the strong enforcement of trade agreements by this administration and future administrations so that workers and businesses alike know that everyone is playing by the same rules and if they are not, there will be consequences.

Finally, there has to be assurance to the workers of this country that when they do feel the adverse affects of globalization and job displacement or downsizing or outsourcing, there will be adequate programs there to assist them to get on their feet, from job training funding to adequate health care coverage during a very difficult and oftentimes traumatic moment in their lives.

Unfortunately, the substitute falls short in regards to the support mechanism. It precludes service workers from qualifying for these TAA benefits. It prohibits manufacturing workers whose jobs are offshored to China and India from qualifying for these benefits. It also cuts worker training benefits by capping it at $8,000, even though we know that the average State today is spending close to $15,000 for job training benefits.

Finally, they pull up short on the crucial aspect of adequate health care. They move from 60 to 70 percent support for the premiums of workers, whereas we go to 85 percent. And even at 85 percent, that remaining 15 percent can be very, very expensive for the average worker when they have lost their job and they don't have an income. They also don't minimize the gaps in coverage as we do. And they also don't allow the continuation of COBRA coverage for employees as we do in the substitute.

I would encourage my colleagues to support H.R. 3920 and oppose the Republican substitute.

Mr. MCCRERY. Mr. Speaker, I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield 1½ minutes to Mrs. MCCARTHY of New York.

Mrs. MCCARTHY of New York. Thank you for yielding.

As we have heard today, the TAA program helps hardworking Americans transition to the global economy and adjust to economic changes resulting from the trade policy of the United States. Training and education play a major role in whether workers will have future success on the job. We have seen the dissatisfaction of the American people with the global economy. You have heard from many of my colleagues on how many people have lost jobs. Most of them are manufacturing jobs.

A lot of these people that lose their jobs can be trained. I am happy to say that the Ways and Means Committee worked with me on making sure career and technical schools and colleges have the opportunity to be part of the TAA program. It is important for people to understand when someone is in their late fifties and they lose their job because of the global economy, that they have skills but they need to upgrade those skills for the world that we are seeing in the future. Technical and career colleges offer those particular uses.

I am happy to say that the TAA bill that the Democrats have put forward are going to help our workers throughout this country, and with health care so that they can provide. Our workers are putting in more time than ever before. Our productivity is up. But, again, we have to keep pace with education. I am very happy to say that we are part of that educational system.

This is a good bill. I rise against the Republican substitute because it doesn't fill the bill. We have waited too long to get this done.

Mr. MCCRERY. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentleman from Louisiana has 16 minutes remaining and the gentleman from Washington has 20 minutes remaining.

Mr. MCCRERY. I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. MCINTYRE).

Mr. MCINTYRE. Mr. Speaker, I oppose the Republican amendment which guts the trade adjustment assistance program's very purpose, which is to be able to help workers affected by trade and globalization get the help they need to get back on their feet and obtain new, good-paying jobs, and I support the underlying bill.

Earlier this year, I joined other members of the North Carolina delegation and introduced a similar bill, H.R. 1729, the Trade Adjustment Assistance Reform Act, whose essential language is mirrored in this bill. The provisions in our original bill were based on the recommendations made by the North Carolina Dislocated Worker Advisory Committee, a group convened by the North Carolina Rural Economic Development Center that included, among others, leaders from the community college system, the Employment Security Commission and the Workforce Development Division of the North Carolina Department of Commerce.

Mr. Speaker, North Carolina's involvement in the TAA debate is important. Why? Because our State has had the most workers covered by TAA certifications, the most workers benefiting from the health coverage tax credit, and one of the highest number of workers enrolled in TAA-sponsored worker training. In fact, as of August 10 of this year, there were 12,693 TAA participants in North Carolina, including over 9,800 enrolled in training. That is why I am very pleased to support the underlying bill and oppose this Republican amendment.

This bill also expands TAA eligibility to include dislocated workers affected by a shift in production in which the workers' jobs are moved to nations with no preferential trade agreements, such as China. It also gives our States the flexibility and increased funding to meet the increasing demand for services and increases the health coverage tax credit to 85 percent of the dislocated workers' health care premiums. It makes changes to simplify the application process for dislocated workers so that they can get help in a timely manner.

In the last 5 years, Mr. Speaker, North Carolina has been hurt by manufacturing layoffs more than any other State. We have had the most demand for trade adjustment assistance. Therefore, I urge the Congress to oppose this substitute amendment. Let's get on to the business at hand, approve this underlying legislation and have the President sign it into law.

□ 1400

Mr. MCCRERY. Mr. Speaker, I yield 4 minutes to the distinguished ranking member of the Trade Subcommittee, the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in support of an amendment in the nature of a substitute to H.R. 3920 offered by Mr. MCCRERY and Mr. MCKEON. In particular, I would like to focus on the provisions in this amendment that would provide TAA participants with quicker access and more flexible training options to obtain the skills they need to return to work as quickly as possible.

H.R. 3920 contains some TAA training reform, but it is largely geared towards keeping people in TAA longer, and is costly. In contrast, this amendment provides much greater individual choice and more flexible access to training through a new approach designed to get people into training sooner and better equip them to get back to work more quickly. For example, this amendment would improve TAA participants' access to training and education by: one, providing New Economy Scholarships of up to $8,000 that a participant can use over a 4-year period in a range of training programs; and, secondly, authorizing $50 million for new

capacity building grants for community colleges and other training providers to offer enhanced training to more TAA participants.

This amendment also would provide TAA participants with more flexible training options that are not available under current law, including allowing participants to combine full-time work with either full-time or part-time training, or combine part-time work with either full-time or part-time training; and allowing training programs that lead to a license, certificate or community college degree and are linked to a high-demand occupation, as well as apprenticeship programs.

Moreover, this amendment would enable TAA participants to begin training sooner, even prior to layoff. This amendment also allows workers to focus on a job search sooner, while receiving income support, without also having to be in training or obtain a training waiver, which is required today. This amendment also would encourage better allocation of current training funds for the States, which have not been fully used, by requiring the Department of Labor to report to Congress every 6 months on this funding allocation.

Mr. Speaker, I believe this amendment makes meaningful training reforms to TAA that would provide more flexible options to participants and better enable them to gain the skills they need to return to work sooner. I urge my colleagues to support the amendment in the nature of a substitute.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. MEEK).

Mr. MEEK of Florida. Mr. Speaker, it is an honor being here to address this piece of legislation, TAA legislation especially, better known as the Trade and Globalization Assistance Act. It is very, very important to the progress of trade. Also, it is important to many States out there in the Union. I think it is important. I stand to oppose the Republican amendment to this great piece of legislation, because if you adopt their amendment, you're doing less than what we would like to do in the present legislation that is on the floor today.

Mr. Speaker, when it comes down to training funds, this bill doubles the current training funding cap from $220 million to $440 million and increases it to $660 million by 2010. This is music to the ears of so many States and especially individuals that have lost their jobs because of trade, because of globalization.

So we are here on the floor, especially with me being a member of the Subcommittee on Trade, we are here on the floor to promote not only training, but also assisting those States that are led by Democrat and Republican Governors. So I share with all of my colleagues here on the floor: Do what is right. To say that we can cut things in half or keep things at status quo and still do a good job by allowing individuals that have lost their jobs the assistance that they need as relates to training, as it relates to health care, is just not living in the real world.

I encourage the Members to vote against the Republican amendment, oppose it, and support the Trade and Globalization Assistance Act that is brought by the majority. I know that it will be a bipartisan vote in the final analysis.

Mr. MCCRERY. Mr. Speaker, unless the cavalry comes riding over the hill, I only have one remaining speaker.

Mr. MCDERMOTT. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I rise in opposition to the McCrery amendment in the nature of a substitute. I support the underlying bill, H.R. 3920, which is important to our State of Texas and to our Nation. The Education and Labor Committee, on which I serve, is separately considering the reauthorization for the Workforce Investment Act. The Trade and Globalization Assistance Act is not the appropriate bill for addressing it. Rather than address the root causes of why little actual job training services are provided under WIA, the McCrery substitute gives Governors and not consumers, the American workers, greater control over critical resources.

Mr. Speaker, most alarming is the fact that the minority believes it can simply change the bureaucratic elements of the WIA system and ensure those who need training receive it. Actual job training has fallen 50 percent under WIA, compared to JTPA. Only 200,000 adults and dislocated workers have received training, out of 8 million unemployed individuals. The Department of Labor estimates that less than 50 percent under WIA funds are being used for core, intensive and training services. In real terms, appropriations for WIA have dropped by over $1 billion during this administration's clock in the last 6 years. Just this past year this administration has proposed a cut of $1 billion, including a rescission. Fortunately, our Appropriations Committee has restored this funding.

It should also be noted that WIA expired in 2003, and the minority had ample opportunity to reauthorize WIA but failed to do so. Representative MCKEON only introduced the WIA reauthorization bill earlier this month, essentially with the same proposals that failed to pass the previous two Congresses. Moreover, given the length of time that has transpired from the 108th Congress when the Workforce Investment Act was due to be reauthorized, until today, it is essential that we give this critical piece of legislation a fresh look.

Mr. Speaker, we have a changing economy and labor force, which means that there are new challenges and new opportunities that we should consider. The Education and Labor Committee has actively begun the WIA reauthorization process. The Subcommittee on Higher Education, of which I am the chairman, held two hearings in June and July, and received recommendations from stakeholders on WIA reauthorization. The subcommittee also asked all interested parties to submit proposals to the committee, and the committee staff is reviewing those recommendations that have been submitted by over 2 dozen organizations and continues to meet with interested groups on WIA. Committee staff has offered to work with the minority staff as WIA proceeds through the committee.

Regrettably, WIA programs have suffered funding cuts over the past 7 years, largely because the administration requested the cuts and opposed congressional efforts to approve WIA funding.

Mr. Speaker, I urge my colleagues to reject the substitute amendment and to vote for passage of the underlying bill.

Regrettably, WIA programs have suffered funding cuts over the past 7 years largely because the administration has requested the cuts and opposed congressional efforts to improve WIA funding. It is my hope that we can generate bipartisan support to reverse that trend.

I urge my colleagues to reject the substitute amendment and to vote for passage of the underlying bill.

Mr. MCDERMOTT. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I rise in opposition to the McCrery substitute and in support of the Rangel-Levin-McDermott underlying bill.

As we continue to expand and open our markets to new competition, we have an economic and a moral responsibility to ensure that our domestic workers are equipped with the necessary skills and tools to compete in a global market.

I support free trade, which is all the more reason to support the reforms and expansion of a program that will help our workers adversely affected by trade and the globalization of our economy. It is estimated that more than 3 million service workers' jobs will go overseas by 2015, so the expansion of coverage to the service workers section is especially important and appropriate.

But the McCrery substitute will limit trade assistance adjustment by not offering any support to service or public sector workers. The substitute will also set a cap on available training funds, denying many workers the tools and resources to be more competitive in the global economy. And as I read the language of the substitute, for the

first time of the 70-year history of the unemployment insurance system, the substitute would allow States to deny unemployment insurance benefits to dislocated workers. The underlying bill provides American workers with the support and tools needed to expand job training opportunities and transition workers into 21st century jobs.

This bill, H.R. 2930, triples the current job training cap to $660 million by 2010 and increases the health care premium subsidy to 85 percent. This is an important investment in the American workforce to enable Americans to remain competitive in the global economy.

So I ask my colleagues to vote against the Republican substitute and vote for H.R. 2930, the McDermott-Rangel-Levin bill.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would point out that service workers today are entitled to unemployment insurance benefits, and that is the primary form of income support under TAA. But to expand to service workers all of the other array of benefits under the TAA may be premature.

In a bill that passed this Congress and was signed by the President earlier this year, there was a mandate for a study to look at service workers and the impact of trade on service workers. We don't yet have, obviously, the results of that study, so it may be premature to just willy-nilly offer all these benefits to service workers.

And while Mr. MORAN spoke about some projection of losses of service worker jobs over the next 10 or so years, in an April 2007 paper, the Peterson Institute for International Economics evaluated data on the extent of the impact of off-shoring on service sector labor markets in the United States, and their review of the data concluded that just under 1 million American service workers lost their jobs from 2004 to 2005 due to mass layoffs of 50 or more employees, while 8 million service sector jobs were created during that time. And of those 1 million jobs lost, only about 4 percent could be attributed to off-shoring or offshore outsourcing.

So I think the question of the impact of trade on the service sector is certainly an open one, and the House may be well advised to wait for the results of the study that we mandated in previous legislation that passed this year.

Mr. Speaker, I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding, and I rise in opposition to this substitute and in strong support of the underlying legislation.

I really want to say that I think that this is the bare minimum that a society and a government can do for those members of our society that find themselves in a situation, really through no fault of their own, that they suffer job loss because of a decision that is made to close a facility or to transfer their job overseas.

What we have now seen over the last decade is that there has been a huge impact in families all across this country, in all different parts of the region of this country, that have been economically severely displaced, that have had to scramble to try and get job training, to get health care, to get a new job, to get a new profession, to get a new occupation. At first, people thought it was only limited to those who did hot, heavy, dirty, nasty jobs. But that is not the case. What we see is, with the continued trend toward globalization and outsourcing, that it can impact all different classes of Americans.

But at a minimum, what we ought to do is make sure that those people have some ability to make a transition to that new job, to that new profession, to retirement if they are older workers, and not risk losing everything that they built up during the time that they were holding their jobs. They should not be in a position where they are scrambling to try to find health care, job training, saving their home, maybe their kids' education, and maybe even the car they need to go to work. Too often, that is what happens in this country because of the inadequacies of these underlying laws. Trade assistance over the last decade, WIA over the last decade, have not provided comprehensive services for these workers that they can fully engage in.

□ 1415

We need these kinds of changes that are presented by the committee bill coming out of Ways and Means. I believe we need the notification provisions that came out of the Education and Labor Committee, and clearly we need an extension of the COBRA benefits for people who find themselves in great jeopardy of not only temporarily losing health care, but very likely permanently losing health care until they are eligible for Medicare because they may have health conditions that are preexisting and it is either so expensive to get an individual policy or people won't write that policy for them, for whatever excuses they have to cover up the idea of a preexisting condition.

So this is a basic fundamental compact between this government that has made a decision, I think properly so, to engage the rest of the world through trade agreements and globalization, but we have to look at what happens here at home. These trade agreements are now being strengthened through the good work of Mr. RANGEL and the committee and Mr. LEVIN and others, to provide for ILO labor standards overseas so we can compete on a fairer basis with workers overseas, with environmental standards so we don't let them subsidize products by just dumping toxins into the rivers and bays and oceans.

This is an important piece of legislation, and I urge my colleagues to support it.

Mr. MCDERMOTT. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, my distinguished colleague from Louisiana keeps worrying about the fact that we are mischaracterizing his amendment. I want to take a specific because the whole question of putting a cap on training benefits is a cut in benefits from what we presently have. The unworkable thing that was in the law before, when you cap at $4,000 the amount per year that a worker can get, a total of $8,000 over a 2-year period, in Minnesota and Maine, 50 percent of the workers spend $10,000. Thirty percent of the TAA workers in Pennsylvania spend more than $15,000 over 10 years. Twenty-five percent of the people in South Carolina spend over $15,000. Eighty percent of the workers in Nebraska spend more than $10,000.

Now, when you put that cap on there, you are saying to a 45- or 50-year-old worker who used to make 35, 40, 45, 50, $55,000, we are not going to give you sufficient money to really retrain for a job that you had equivalent in pay before. You are saying whatever you can get for four grand, fine, that's it. But if it takes more than that, well, you're on your own.

This bill is designed to try and help workers who were the middle class in this country, people who were making livable wages. Now, you also say in your bill that your wage insurance, it used to be in the present bill if you were over 50 and your job was making less than $50,000 a year, you could receive up to an additional $5,000 if you took a job that paid less than you were making before.

Now, what you've done in this bill, in this amendment you offer, you say we will give you a minimum wage job, and if you don't make an additional $2.40 above that minimum wage in your State, then we will sort of give you a little cushion up to that $2.40. That is pushing people to low-wage jobs. You are taking those $50,000-a-year people who were working in auto factories and working in manufacturing jobs across this country and you are saying, go out and get yourself a minimum wage job and we'll give you an extra $2.40 an hour. My, aren't we generous.

And you understand why we talk about you gutting what miserable program you put in place in the first place.

This bill that we have put together here today is one that will allow States, and the reason why we put additional money in for training is no one

could use it before. They will under our bill.

Mr. MCCRERY. Mr. Speaker, in response to the remarks of my friend from Washington, I would point out that using Bureau of Labor statistics, the average cost of training under current law is only $3,000. So the $8,000 New Economy Scholarship in our substitute more than doubles the amount available.

In the case of remedial education, the scholarship amounts to an extra $1,000, nearly tripling the average cost of training.

The most common provider of occupational training is the local community or technical college. The limit of $8,000 over 2 years is significantly greater than the average cost of a 2-year program at a community college, and is similar to limits that apply to other Federal postsecondary assistance.

Under current law, Mr. Speaker, while there is no specific monetary limit, as there is in our substitute, the cost of training must be reasonable and that reasonableness is decided by the various States. So the amount that is available is subject to judgment and to uncertainty. Our substitute removes that uncertainty so that a person knows going in how much he is going to have to spend on training.

Our substitute significantly enhances access to training by removing additional eligibility criteria and allowing people who do get new jobs to use the training benefit unlike current law. So we expand current law in that regard with respect to training benefits.

Mr. Speaker, I hope the gentleman from Washington has listened to my rebuttal and is convinced now that we don't gut the training benefits in TAA. If he is not, though, if he will vote for the substitute, I look forward to working with him to smooth out the complaints that he has.

I reserve the balance of my time.

Mr. MCDERMOTT. I wish you and I could have a debate.

Mr. Speaker, I yield 2 minutes to Mr. SESTAK, the gentleman from Pennsylvania.

Mr. SESTAK. Mr. Speaker, I watched the world change during nearly four decades in the Navy, having joined up in 1970. I have been almost everywhere. Several decades ago I went to China and to the United Arab Emirates when they were not the powers they are today.

The strength of our international trade is absolutely crucial to the economic prosperity and global competitiveness of our Nation. But there are consequences of globalization, and we must address them if we are to remain and have a fully skilled workforce that can continue to compete.

This is why trade adjustment assistance is so important. It ensures the transition of the workforce that is negatively impacted by trade to step back and to receive the tools that prepare them to reenter the workforce at a higher, more skilled, competitive level. Good for them. Good for America.

The substitute amendment removes this focus on ensuring a more wealthy economy because of a retrained workforce. It actually caps retraining funding at $8,000, less than all but one State. This, when economists state that if our competitive ability, based on an innovative, skilled workforce, does not change, China will be the number one economy by 2050 and India number two. We will be number three.

As service workers have grown to be a more significant part of the economy than they were when the initial Trade Assistance Act was passed in 1962, it is vitally important that we invest in their retraining also.

The substitute amendment would actually remove these workers, needed to be re-skilled for our economic future, from the bill. And at a time when health care premiums have risen as a not-so-hidden tax, 70 percent in the last 6 years, the substitute amendment does nothing to fix the flaws in the old Trade Assistance Act that precludes families from receiving the health care tax credit for which they are eligible.

In short, having visited the UAE and China decades ago, and seeing them now, there is no question that a small investment in a healthy, educated and retrained workforce is needed to preclude our economy from being number three.

We want the same quality of life our forefathers had when they invested in the GI bill, and this is no different. This is a small investment so we give the quality of life we had to our children.

Mr. MCDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. The choice is clear. We have heard your rebuttal. Your bill does really nothing about the problem for people in manufacturing. If there is an outsourcing to China, the workers are out in the cold. That is cold, not like you. But it is cold.

Service employees, why distinguish? It is an increasing part of our economy. You do nothing.

In health care you put a little patch on a big problem, and that is not good health care.

Essentially what you are trying to do with your substitute is to minimize the problem rather than maximizing an effective response. The 3 percent figure as to the impact of trade is really out of thin air. It is surely not true of manufacturing. Not at all true. Some who served in Republican administrations say it has been much more than that.

In the capping of training, we heard the response from the representative of the administration. That $3,000 figure at best is an average, and even that is indefensible. Mr. MCDERMOTT read to you the number of States where training is much higher, so you essentially cut the worker off halfway. That's what you are going to do in terms of training.

Seven States ran out of resources in 2007, nine in 2006; you do nothing. We need a new trade policy. We need a new, vigorous TAA. We need more than a pat on the back.

Our bill does what needs to be done. I am afraid the substitute at best is a pat on the back. Let's vote it down. Let's have a bipartisan vote for this TAA. Bipartisan, as we did in the Ways and Means Committee. Bipartisan.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LYNCH). The Chair reminds Members that all remarks in debate are to be addressed to the Chair.

Mr. MCCRERY. Mr. Speaker, may I inquire how much time remains on each side.

The SPEAKER pro tempore. The gentleman from Louisiana has 9 minutes remaining and the gentleman from Washington has 2 minutes remaining.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume just one more time to try to rebut the characterization of the other side of our substitute with respect to training.

The information that we have, and we think it is reliable, is that no State ran out of training money, but obviously the majority has different information and at some point during the process we would love to sit down with them and examine their data and our information to see if there is some way to reconcile those and arrive at a conclusion that we both can embrace. We have not had that opportunity other than the limited debate we had in committee and now here on the floor, and we are hearing the same thing on the floor we heard in committee and so we haven't reconciled those differences. But clearly there are differences in the data that each of us thinks is reliable.

Mr. MCDERMOTT. Would the gentleman yield?

Mr. MCCRERY. I would be happy to yield.

Mr. MCDERMOTT. You will concede that the Department of Labor says that no State ran out of money, but that GAO said that nine States ran out of money, that there is an argument about how the States keep their books, will you not?

Mr. MCCRERY. Yes. As I said, I think each side has information that it deems reliable, but we have attempted to try to reconcile those two different sets of data. I am hopeful we will do that before this process is over.

Mr. MCDERMOTT. I hope you understand we put in more money because we hoped to cover more people.

Mr. MCCRERY. Absolutely.

Mr. MCDERMOTT. If we change some of the regulations, it will be more accessible to people.

Mr. MCCRERY. Absolutely. I do understand that. We, of course, as you know, question the need right now to include all those additional people, as I have talked about before, with respect to services workers.

□ 1430

But our substitute with respect to the universe of people presently covered under law by the Trade Adjustment Assistance, we think the training money in our substitute is more than adequate to cover the needs of that population with respect to training.

Mr. Speaker, I have one remaining speaker. The gentleman from Washington only has 2 minutes remaining, but are you ready to close?

Mr. Speaker, with your permission, I'll close for our side.

Mr. MCDERMOTT. Mr. Speaker, do you have the right to close? I think you have the right to close.

The SPEAKER pro tempore. Under the rules of the House, the gentleman opposing the amendment has the right to close, the gentleman from Washington.

Mr. MCDERMOTT. We have the right to close?

The SPEAKER pro tempore. You have the right to close, that's correct.

Mr. MCCRERY. Oh, well, thank you for the kind offer. I'm happy to close at this time, Mr. Speaker.

I think we've had a good debate today on the different approaches that the majority and minority have at this point on the Trade Adjustment Assistance Act. We certainly understand the importance of providing an array of benefits to people in this country who lose their jobs because of trade, and certainly Chairman RANGEL and I have talked and agreed that it's necessary for Congress to take action and to make sure that people in this country know that as we expand trade, that the benefits of trade expansion will be uneven. And there will be some in this country who will lose their jobs because of that expansion of trade, and we need to be prepared to assure those people that we will help them give them that helping hand to lift them up after they've lost that job and find training, education, whatever is necessary to get them a new job if they desire, and in the meantime give them benefits that will allow them to take care of themselves and their families.

So we agree on the importance of this program. I had hoped we would have had more give-and-take over the last couple of months with respect to crafting a bipartisan approach to reauthorizing the program, not only because the program was originally a bipartisan program, but also because we are trying, some of us on both sides of the aisle are trying to rebuild that bipartisan coalition for the expansion of trade around the world, knocking down trade barriers to our goods and services, to make the playing field more level for United States producers of products and services. And as we attempt to create or recreate that bipartisan coalition for the expansion of trade, we understand that one leg of that effort has got to be reauthorizing and strengthening not only TAA, but perhaps even going beyond the current universe of beneficiaries of a Trade Adjustment Assistance program and looking at enhancing the benefits of all workers who lose their jobs, not just because of trade but perhaps due to things that are more in the rubric of globalization but not specifically trade.

So I'm glad that we have this bill before the House today. I'm hopeful that we can reauthorize in some form this very important program before the end of this year. I regret that I cannot support the majority bill that's on the floor today. I think we have offered a reasonable substitute and I'm hopeful that the House will adopt our substitute, and then as the process moves through the Senate and to the President, we can perhaps refine that product some more and get a bipartisan agreement.

So with that, Mr. Speaker, I urge adoption of the substitute.

Mr. Speaker, I yield back the balance of my time.

Mr. MCDERMOTT. Mr. Speaker, I yield the remaining time that we have to the Speaker of the House, NANCY PELOSI.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding and for his important work on keeping America number one.

In recent years, the increasing global market has brought many opportunities but has also created unprecedented challenges as to how we address the increased economic insecurity faced by many of America's working families. For a long time, unfortunately, Mr. Speaker, trade policy has focused more on opening new markets and has dismissed the real consequences of those faced by those who lose their jobs as well as their communities across America that are hard hit.

Democrats recognize that our economic future rests with our ability to open new markets for U.S. goods, especially since our markets are already largely open to our trading partners. However, the status quo is not working, and we must do much more to help American workers compete and thrive in the increasingly competitive global market. That is the purpose of this important legislation before us, the trade adjustment assistance bill.

Mr. Speaker, being from Massachusetts, I'm sure you've read in the history books, for somebody of my age I recall, when President Kennedy called for the, called upon the American people with his challenge to put a man on the Moon and have him safely return within 10 years. It was very, very exciting. It was almost unbelievable, but it did happen. Why I mention it, though, is because in his remarks at that time, President Kennedy said, if we are to honor the vows of our Founders, we must be first, and therefore we intend to be first. For our science and industry, for peace and security, we must be first. And that's what this is about today, how America can continue to be number one.

We have worked together with that Innovation Agenda in that spirit; the Innovation Agenda, much of which has been passed overwhelmingly in a bipartisan way by the Congress and signed into law by President Bush. And it will help promote, will make serious and sustained investments in research and development, help promote the public-private partnerships that will develop high-risk, high-reward ideas into marketable technologies and more jobs for American workers. In other words, we're saying, if we are going to compete successfully, we must innovate, and that innovation begins in the classroom.

So Democrats recognize in the global knowledge-based economy, America's greatest resource for innovation and economic growth resides within America's classrooms, and we have made a new commitment to encouraging students and encouraging highly qualified teachers in the field of math, science and engineering.

We've also made higher education more affordable and accessible. Again, in the strong bipartisan way voted by the House, we passed the College Cost Reduction and Access Act. That was signed into law by the President and has made the largest investment in college affordability since the GI Bill was passed in 1944, a bill that was referenced by our colleague, Mr. SESTAK, earlier.

We've also forged a new approach for free trade agreements where, for the first time, Democrats in Congress and Republicans, working with Mr. MCCRERY and Mr. RANGEL, the chairman, working with the administration, were able to forge a new approach. For the first time, enforceable basic labor rights and environmental standards will be included in free trade agreements negotiated by the Bush administration ensuring that our trading partners do not lure American jobs abroad through the use of weak labor laws and lax environmental standards.

Today's bill is the next step in our agenda to expand economic security. It's a departure from the status quo. The current trade adjustment assistance initiative does not do enough to help those who lose their jobs through no fault of their own.

Specifically, as has been mentioned before, the bill will dramatically expand the number of workers who will qualify for TAA benefits. This is very

important. It will offer increased funding and options for workers' training so that individuals can pursue substantive training programs that lead to higher paying jobs. It will expand access to health care by strengthening and streamlining the health care tax credit and other health benefits so that workers are not forced to live without health care as they search for a new job. And it will revitalize communities decimated by manufacturing job loss with tax incentives. Those are some of the provisions of this important legislation.

This would represent a huge step forward. This would say to the American people and the American workers who have lost their jobs or are concerned about losing their jobs to trade that they are not alone.

The bill represents a renewed commitment to helping American workers who have lost their job through no fault of their own. Free and fair trade can only thrive if we help those who are facing the downside of a global economy.

In the coming months, Democrats will continue to lay out a positive agenda to ensure economic growth and economic security for America's families. We will continue to pursue a positive agenda to keep America number one. I urge our colleagues to oppose the substitute and to support the underlying legislation.

The SPEAKER pro tempore. Pursuant to House Resolution 781, the previous question is ordered on the bill, as amended, and on the further amendment by the gentleman from Louisiana (Mr. MCCRERY), as modified.

The question is on the amendment by the gentleman from Louisiana (Mr. MCCRERY), as modified.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MCCRERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 196, nays 226, not voting 10, as follows:

[Roll No. 1024]

YEAS—196

Aderholt	Blunt	Burgess
Akin	Boehner	Burton (IN)
Bachmann	Bonner	Buyer
Bachus	Bono	Calvert
Baker	Boozman	Camp (MI)
Barrett (SC)	Boren	Campbell (CA)
Barrow	Boustany	Cannon
Bartlett (MD)	Boyd (FL)	Cantor
Barton (TX)	Brady (TX)	Capito
Biggert	Broun (GA)	Carter
Bilbray	Brown (SC)	Castle
Bilirakis	Brown-Waite, Ginny	Chabot
Bishop (UT)	Buchanan	Coble
Blackburn		Cole (OK)
Conaway	Johnson (IL)	Putnam
Costa	Johnson, Sam	Radanovich
Cramer	Jones (NC)	Ramstad
Crenshaw	Jordan	Regula
Cuellar	Keller	Rehberg
Culberson	King (IA)	Reichert
Davis (KY)	King (NY)	Renzi
Davis, David	Kingston	Reynolds
Davis, Lincoln	Kirk	Rogers (AL)
Davis, Tom	Kline (MN)	Rogers (KY)
Deal (GA)	Knollenberg	Rogers (MI)
Dent	Kuhl (NY)	Rohrabacher
Diaz-Balart, L.	LaHood	Ros-Lehtinen
Diaz-Balart, M.	Lamborn	Roskam
Doolittle	Lampson	Royce
Drake	Latham	Ryan (WI)
Dreier	Lewis (CA)	Sali
Duncan	Lewis (KY)	Saxton
Ehlers	Linder	Schmidt
Emerson	Lucas	Sensenbrenner
English (PA)	Lungren, Daniel E.	Sessions
Everett	Mack	Shadegg
Fallin	Manzullo	Shays
Feeney	Marchant	Shimkus
Forbes	Matheson	Shuler
Fortenberry	McCarthy (CA)	Shuster
Fossella	McCaul (TX)	Simpson
Foxx	McCotter	Smith (NE)
Franks (AZ)	McCrery	Smith (TX)
Frelinghuysen	McHenry	Souder
Gallegly	McKeon	Stearns
Garrett (NJ)	McMorris Rodgers	Sullivan
Gerlach	Mica	Terry
Gilchrest	Miller (FL)	Thornberry
Gingrey	Miller, Gary	Tiahrt
Gohmert	Murphy, Tim	Tiberi
Goode	Musgrave	Turner
Goodlatte	Myrick	Upton
Granger	Neugebauer	Walberg
Graves	Nunes	Walden (OR)
Hall (TX)	Pearce	Walsh (NY)
Hastert	Pence	Wamp
Hastings (WA)	Peterson (PA)	Weldon (FL)
Heller	Petri	Westmoreland
Hensarling	Pickering	Whitfield
Herger	Pitts	Wicker
Hill	Platts	Wilson (NM)
Hobson	Poe	Wilson (SC)
Hoekstra	Porter	Wolf
Hulshof	Price (GA)	Young (AK)
Hunter	Pryce (OH)	Young (FL)
Inglis (SC)		
Issa		

NAYS—226

Abercrombie	Cummings	Higgins
Ackerman	Davis (AL)	Hinchey
Allen	Davis (CA)	Hinojosa
Altmire	Davis (IL)	Hirono
Andrews	DeFazio	Hodes
Arcuri	DeGette	Holden
Baca	Delahunt	Holt
Baird	DeLauro	Honda
Baldwin	Dicks	Hooley
Bean	Dingell	Hoyer
Becerra	Doggett	Inslee
Berkley	Donnelly	Israel
Berman	Doyle	Jackson (IL)
Berry	Edwards	Jackson-Lee (TX)
Bishop (GA)	Ellison	Jefferson
Bishop (NY)	Ellsworth	Johnson (GA)
Blumenauer	Emanuel	Johnson, E. B.
Boswell	Engel	Jones (OH)
Boucher	Eshoo	Kagen
Boyda (KS)	Etheridge	Kanjorski
Brady (PA)	Farr	Kaptur
Braley (IA)	Fattah	Kennedy
Brown, Corrine	Ferguson	Kildee
Butterfield	Filner	Kilpatrick
Capps	Flake	Kind
Capuano	Frank (MA)	Klein (FL)
Cardoza	Giffords	Kucinich
Carnahan	Gillibrand	Langevin
Carney	Gonzalez	Lantos
Castor	Gordon	Larsen (WA)
Chandler	Green, Al	Larson (CT)
Clarke	Green, Gene	LaTourette
Clay	Grijalva	Lee
Clyburn	Gutierrez	Levin
Cohen	Hall (NY)	Lewis (GA)
Conyers	Hare	Lipinski
Cooper	Harman	LoBiondo
Costello	Hastings (FL)	Loebsack
Courtney	Hayes	Lofgren, Zoe
Crowley	Herseth Sandlin	Lowey
		Lynch
		Mahoney (FL)
		Maloney (NY)
		Markey
		Marshall
		Matsui
		McCarthy (NY)
		McCollum (MN)
		McDermott
		McGovern
		McHugh
		McIntyre
		McNerney
		McNulty
		Meek (FL)
		Meeks (NY)
		Melancon
		Michaud
		Miller (MI)
		Miller (NC)
		Miller, George
		Mitchell
		Mollohan
		Moore (KS)
		Moore (WI)
		Moran (KS)
		Moran (VA)
		Murphy (CT)
		Murphy, Patrick
		Murtha
		Nadler
		Napolitano
		Neal (MA)
		Oberstar
		Obey
		Olver
		Ortiz
		Pallone
		Pascrell
		Pastor
		Payne
		Perlmutter
		Peterson (MN)
		Pomeroy
		Price (NC)
		Rahall
		Rangel
		Reyes
		Richardson
		Rodriguez
		Ross
		Rothman
		Roybal-Allard
		Ruppersberger
		Rush
		Ryan (OH)
		Salazar
		Sánchez, Linda T.
		Sanchez, Loretta
		Sarbanes
		Schakowsky
		Schwartz
		Scott (GA)
		Scott (VA)
		Serrano
		Sestak
		Shea-Porter
		Sherman
		Sires
		Skelton
		Slaughter
		Smith (NJ)
		Smith (WA)
		Snyder
		Solis
		Space
		Spratt
		Stark
		Stupak
		Sutton
		Tancredo
		Tanner
		Tauscher
		Taylor
		Thompson (CA)
		Thompson (MS)
		Tierney
		Towns
		Tsongas
		Udall (CO)
		Udall (NM)
		Van Hollen
		Velázquez
		Visclosky
		Walz (MN)
		Waters
		Watson
		Watt
		Waxman
		Weiner
		Welch (VT)
		Wexler
		Woolsey
		Wu
		Wynn
		Yarmuth

NOT VOTING—10

Alexander	Jindal	Wasserman Schultz
Carson	Paul	Weller
Cleaver	Schiff	Wilson (OH)
Cubin		

□ 1505

Mr. SCOTT of Georgia, Ms. LORETTA SANCHEZ of California, Ms. WATSON, Ms. KAPTUR and Messrs. STARK, STUPAK, MORAN of Kansas and RUSH changed their vote from ''yea'' to ''nay.''

Mr. TERRY and Mr. SAXTON changed their vote from ''nay'' to ''yea.''

So the amendment, as modified, was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. POMEROY was allowed to speak out of order.)

IN MEMORY OF THE LATE PETER HOAGLAND

Mr. POMEROY. Mr. Speaker, I have sad news for the House today. Our former colleague and dear friend, Peter Hoagland of Nebraska passed away yesterday in the hospital in Bethesda.

Peter served three terms in the House. Being an at-large Member from North Dakota, as I arrived, I looked to this distinguished gentleman from Omaha to be not just a friend but also a mentor.

During my years in this body, I have never served with anyone who enjoyed service in this Chamber more than Peter Hoagland. And yet, he would lay his tenure right on the line to stand for what he believed in and cast his votes in a way that were an example in high principle.

Peter will be deeply missed by his family; his wife, Barbara Hoagland; five children, Elizabeth, Katherine, Christopher, David and Nick; as well as

the countless friends he leaves behind. Our thoughts and prayers are with them at this difficult time.

And I have, for any Member requesting, the information in terms of how to contact the family during this hour of bereavement.

I want to yield a moment to Congressman LEE TERRY, who now represents the seat previously held by Congressman Hoagland. And at the conclusion of Congressman TERRY, if we might rise in a moment of silence.

Mr. TERRY. Mr. Speaker, on behalf of all of my colleagues here and the constituents of the Second Congressional District, our prayers go out to Barbara, his wife, and their five children.

Peter passed away yesterday. He was a mere 66 years old. Many of you know that served with him that he developed Parkinson's the last few years, and it slowly had worsened. But as is typical with Pete, instead of feeling sorry, he went out and became an advocate for those with Parkinson's disease, frequently coming to our office to talk about his advocacy and also about local politics back home.

Pete first ran for the State legislature in Nebraska in 1978, where he became known as this idealistic, principled, yet liberal Member from midtown Omaha, which was surprising because he grew up in a family of pretty hard-core, conservative Republicans.

But I got to know Pete. In fact, Pete even offered me a clerkship in his law office in 1986, and we became fast and good friends.

He then ran for Congress in 1988 where, with the utmost dedication, he represented the people of the Second District of Nebraska, carrying on that principled, idealistic nature that he brought to the Nebraska State legislature.

So on behalf of people of the State of Nebraska and the Second Congressional District, I'll say that we will miss our friend, Pete Hoagland.

At this time, I'd like to yield to my friend from New York.

Mr. ENGEL. I thank my friend from Nebraska, and I too want to rise to pay tribute to my classmate in 1988, Peter Hoagland. Peter and I were best friends, socialized with our wives and our kids many, many times. He was truly a gentleman. Both our colleagues from North Dakota and from Nebraska really epitomized what Peter meant to all of us. His wife, Barbara, and the five children, a wonderful family.

And let me just say that Peter was in public life for all the right reasons. He cared so much about this country. He cared so much about public policy. He cared so much about people.

In all the time I was with Peter, I was with him a lot, I never once heard him utter a negative word about anybody. He really truly respected this institution. He loved our country, and he respected each and every Member in this House, on both sides of the aisle.

It came as quite a shock to me when I found out about his passing, although I had known that he had been ill for a while. Sixty-six is awfully young, too young, when you have such a good person with such a great, keen intellect and a wonderful person.

So I just want to say on behalf of myself, my wife Pat, my family, and our class of 1988, we were 18 Democrats and 15 Republicans that year, we're all going to miss Peter very, very much, and may he rest in peace.

Mr. HOYER. Will my friend yield?

Mr. TERRY. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentleman for yielding. I know that Mr. TERRY has spoken for all of us, and Mr. ENGEL, Mr. POMEROY.

For those of us who had the opportunity to serve for an extended period of time with Peter Hoagland, for those of us who knew Peter after he left the Congress of the United States, this is a sad day. It is an appropriate day, however, to remember, as Mr. ENGEL said, a gentleman who had nothing bad to say about any of our Members on either side of the aisle; a Member who was positive in his approach; a Member who was gracious to all; a Member who cared deeply about his country, about his State, and about his service in this institution.

Peter Hoagland was a good and decent man who served his country well, and will be sorely missed by us all.

Mr. POMEROY. At this time, then, Mr. Speaker I'd ask that we might have a moment of silence.

The SPEAKER pro tempore (Mr. LYNCH). A moment of silence has been requested. Will all Members rise.

(By unanimous consent, Mr. SHAYS was allowed to speak out of order.)

IN MEMORY OF THE LATE THOMAS MESKILL

Mr. SHAYS. Mr. Speaker, I rise to eventually ask for a moment of silence for a Member of this Chamber who has passed away; that's Thomas Meskill. He was in the U.S. Air Force and in Korea for 3 years. He was the former mayor of New Britain, Connecticut. He was a Member of Congress for two terms in the Sixth District. He was Governor of the State of Connecticut, and he was judge of the U.S. Court of Appeals, Second Circuit. He was, for a period of time, the chief judge. He was clearly a distinguished member of Connecticut, a very respected elected official, but was most respected for his service as a judge in the Court of Appeals for 30 years.

Before asking for a moment of silence, I would like to yield to Mr. LARSON, who wanted to make sure that this House recognized this distinguished gentleman.

Mr. LARSON of Connecticut. Mr. Speaker, I thank Representative SHAYS for yielding.

This is a very difficult time for the Meskill family, whose husband, father, grandfather served as Governor of the State of Connecticut, was a judge in the Second Circuit, chief judge from 1991 through 1992. He served in this body with distinction. He was the former mayor of New Britain, Connecticut.

□ 1515

I had the opportunity to work with Governor Meskill, Congressman Meskill, and our hearts and thoughts and prayers go out to Mary, his lovely wife; and his entire family.

With that, I would like to yield to the current Congressman from that district, CHRIS MURPHY.

Mr. MURPHY of Connecticut. I thank the gentleman for yielding and I thank Mr. SHAYS for bringing this before the House.

As the Member of Congress who now has the honor of serving New Britain, Connecticut, I can tell you, as someone who didn't know Governor Meskill and Congressman Meskill personally, that he loved the City of New Britain and the City of New Britain loved him back. He earned the nickname of ''Tough Tommy'' during his time in the Governor's mansion when he turned a very large deficit into a very large surplus in a short amount of time. As you have heard, there was hardly an office in Connecticut in any of the branches that Governor Meskill did not hold.

New Britain is better off for having him. It bears his stamp. We all stand today to mourn his loss and send our condolences to the family.

Mr. SHAYS. Mr. Speaker, as we rise in silence, if we could remember his wife, Mary; his two daughters, Maureen and Eileen; his three sons, John, Peter, and Thomas; and his seven grandchildren.

The SPEAKER pro tempore (Mr. LYNCH). Members will rise and the House will observe a moment of silence.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCDERMOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 264, nays 157, not voting 11, as follows:

[Roll No. 1025]

YEAS—264

Abercrombie	Altmire	Baird
Ackerman	Andrews	Baldwin
Aderholt	Arcuri	Barrow
Allen	Baca	Bean

Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Camp (MI)
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Fossella
Frank (MA)
Gerlach
Giffords
Gillibrand
Gonzalez
Goode
Gordon
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Klein (FL)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Richardson
Rodriguez
Rogers (MI)
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walsh (NY)
Walz (MN)
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NAYS—157

Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Emerson
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gilchrest
Gingrey
Gohmert
Goodlatte
Granger
Hall (TX)
Hastert
Hastings (WA)
Heller
Herger
Hobson
Hulshof
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kirk
Kline (MN)
Lamborn
Lampson
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Marchant
McCarthy (CA)
McCaul (TX)
McCrery
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller, Gary
Mitchell
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Walden (OR)
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Alexander
Carson
Cubin
Hensarling
Jindal
Paul
Ryan (WI)
Schiff
Wasserman Schultz
Weller
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1534

Mr. ROGERS of Alabama changed his vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO GO TO CONFERENCE ON H.R. 3043, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 2008

Mr. OBEY. Madam Speaker, pursuant to clause 1 of rule XXII and by direction of the Committee on Appropriations, I move to take from the Speaker's table the bill (H.R. 3043) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2008, and for other purposes, with the Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mrs. TAUSCHER). The gentleman from Wisconsin is recognized for 1 hour.

Mr. OBEY. Madam Speaker, I yield 30 minutes to the gentleman from California (Mr. LEWIS) for the purpose of debate only. And I yield myself 30 seconds.

Madam Speaker, the motion is self-explanatory. This will enable us to go to conference with the other body on the Labor, Health and Human Services and Education bill and begin the process by which we can deal with the conference reports on the seven bills so far completed action by the Senate.

Madam Speaker, I reserve the balance of my time.

Mr. LEWIS of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today to discuss what appears to be one of the most highly unusual decisions made by the leadership of the House by way of combining the Labor, Health and Human Services bill with Military Construction, VA, and all those programs that relate to veterans, and the DOD bills into one package to be sent to the President.

It is my understanding that included in this package may be disaster funding relief that could affect wildfires in the West. There may be other popular items that the majority may attempt to air-drop into conference. In theory, the bill itself is supposed to focus upon health care for our citizens across the country, labor programs and education programs, not defense, not veterans programming or other related programs. This package would exclude any DOD bridged supplemental funding for our troops.

Last year, a bipartisan group of Members demanded that the administration send a full-year supplemental request for activities related to the global war on terror. Now that the administration has provided the full-year request, the House and Senate leadership have refused to provide this critical funding for our troops who are serving in harm's way.

Additionally, instead of moving the Labor-HHS bill, the DOD bill and the MilCon-VA bills through the process by regular order and holding separate conferences, this omnibus package would be carried as part of the Labor-HHS bill.

Frankly, as I talk to my colleagues who know the appropriations process around this place pretty well, they can't quite believe why we're doing this. For each of these bills passed the House separately and individually, they've got programs that are highly supported. There is little doubt that regular order would work if the leadership would allow it to work.

Let me be clear on this. The President has already indicated that he will