

I believe that it provides some needed relief to our strapped farm industry as well as provides some new and much-appreciated assistance to the farmers of Connecticut. Our farm economy right now is in dire shape, and farmers from across the nation have pleaded with the Congress to give them the assurances that this bill possesses. I do not believe it is a time at which we can turn our back on the nation's farmers.

The bill also provides some precedent-setting relief to the often ignored farm industry in my home state of Connecticut. In particular, the extension of the dairy program, the new assistance for the speciality crops that dominate our farmland, the increases in conservation funding over the status quo, and the various incentive programs for organic agriculture all will bring benefits to Connecticut farmers. Finally, the provision of \$600 million annually in new nutrition programs, including the restoration of food stamps to many legal immigrants, will allow many Connecticut residents to provide essential supplies of food for their families.

While this bill does provide support for who depend on the land for their living, like most legislation it is not perfect, and so I cast this vote with some reservations. I am concerned that several of the features that made the Senate-passed bill desirable have been weakened in conference. In particular, the conservation funding has been reduced and appears to be backloaded far into the future. The payment limitations that were adopted in order to ensure that funds were distributed more equitably, and not disproportionately to large corporate farms, also appear to have been weakened. While I cast my vote today for this bill, I hope that we can revisit these important issues in the near future.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, the majority leader has asked me to announce there will be no further rollcall votes tonight.

ANDEAN TRADE PREFERENCE EXPANSION ACT—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

An act (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Daschle amendment No. 3386, in the nature of a substitute.

Dorgan amendment No. 3387 (to amendment No. 3386), to ensure transparency of investor protection dispute resolution tribunals under the North American Free Trade Agreement.

AMENDMENT NO. 3387

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3387.

The amendment (no. 3387), was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I would like to take this time to talk in some detail about the Trade Adjustment Assistance Reform Act, the underlying bill. This is a bill which is a renamed version of S. 1209, which was reported out of the Finance Committee last December. It is the first part of a trade package to which the pending motion—actually it is the first part of the substitute underlying the bill.

I think it is important to put this bill in context. That is why I want to spend some time reviewing the history of the TAA program, its purpose, and recent proposals for reform, and how those factors are reflected in the bill.

I also want to review some important points about what this bill does and does not do. Unfortunately, there is a lot of misinformation out there. I want to clear up some of the inaccuracies that have cropped up about specific parts of the bill.

Last, I want to review my efforts to make this a bill with bipartisan appeal. That has been my goal—and, I think, one I share with Senator DASCHLE and Senator BINGAMAN—from the beginning. I really believe we have achieved that goal. So I want to touch on how that happened as well.

First, I will start with a little history.

Trade Adjustment Assistance—what we call TAA—was created in the Trade Expansion Act of 1962 and revised to its current form in the Trade Act of 1974. It was last revised in the 1993 NAFTA Implementation Act, which created a special program for NAFTA-impacted workers.

The purpose of the TAA program is to help workers who lose their jobs and firms that face layoffs as a consequence of international trade.

In 1962, President Kennedy said.

Those injured by . . . trade competition should not be required to bear the full brunt of the impact. There is an obligation [for the Federal Government] to render assistance to those who suffer as a result of national trade policy.

When President Kennedy said those words, the United States had a trade surplus. Imports amounted to less than 5 percent of GDP. But the President and a bipartisan majority of the Congress were wise enough to realize that the benefits of increased trade are not

evenly distributed. They realized that we, as a government, have an obligation to help those who are displaced by trade policy to get back on their feet.

Today, as well all know, there is a huge trade deficit. Imports as a share of GDP have tripled. These facts can lead to only one conclusion—the rationale for having a strong, effective trade adjustment assistance program are even stronger today than they were when the program was created. That is why 66 percent of Americans responding to a recent poll agreed with the following statement:

I favor free trade, and I believe that it is necessary for the government to have programs to help workers who lose their jobs.

Congress has regularly reauthorized the TAA program—about every 5 years—and always with bipartisan support. It was with that history in mind that Senator BINGAMAN, Senator DASCHLE, and I embarked on this current exercise to reauthorize and reform the program.

But before turning to the specific provisions of the bill, I want to spend a moment on what the current TAA program does.

There are currently three TAA programs: regular TAA for workers, NAFTA-TAA for workers, and TAA for firms.

The two worker programs run out of the Department of Labor. They help workers who lose their jobs due to trade to get retrained for new careers. To achieve that goal, TAA provides a very modest level of income support to tide over workers while they retrain. It also pays for training and provides job search and relocation assistance where needed.

The TAA for firms program provides technical assistance to mostly small- and medium-sized businesses that face layoffs due to import competition. The program helps firms become more competitive so they can retain and expand employment.

People sometimes call TAA the “Cadillac” of U.S. displaced worker programs. I find that misleading. It is true that TAA provides more benefits than other U.S. programs for displaced workers. But please remember that no one wants to be in TAA. The prospect of a government check for about \$250 a week is not an incentive to linger in this program when you have a mortgage to pay, a family to feed, and medical expenses to pay. I hope we can get past this “Cadillac” discussion and get down to the real issues.

The TAA program has a 40-year history, and we have learned some things from experience. Over the last few years there has been a growing consensus that it was time to take another look at this program and see how it could work better.

In the past 2 years, the GAO has done four very comprehensive studies of every aspect of the TAA program. GAO has noted some problems in the way the program operates and made some concrete recommendations for reform.

In addition, the bipartisan Trade Deficit Review Commission has looked at TAA. The Commission included our current USTR, Ambassador Zoellick, as well as Secretary Rumsfeld, former USTR Carla Hills, and others representing a wide range of views. As you probably know, they did not agree on much of anything. But their report contains one unanimous chapter recommending revision and expansion of the TAA program.

The GAO and the Trade Deficit Review Commission's recommendations for improving the TAA program include expanding TAA to cover secondary workers and assisting TAA participants with health insurance.

Also, they recommend making sure income support lasts as long as training. After all, you need work while you are getting trained.

They recommend creating a performance evaluation system to track program outcomes to see if it is working.

They recommend providing wage insurance.

They recommend assisting trade-impacted communities and assuring adequate funds for training.

That is the unanimous recommendation of the Trade Commission.

That, in a nutshell, is how this bill began. We didn't start out trying to add as many bells and whistles as possible to this program. We didn't add too much in the expectation of negotiating down later.

We simply took the nonpartisan and bipartisan recommendations of the GAO and the Trade Deficit Review Commission and wrote them into statutory language. This is basically what we did along with Senators DASCHLE and BINGAMAN. And we tried to do it in a fair and sensible way that would make the program work better and treat all trade-impacted workers equally.

Let me take a few minutes now to walk through some of the major provisions of the bill.

The first thing this bill does is unify the two TAA programs for workers—regular TAA and NAFTA-TAA. The unified TAA program pretty much adopts the existing NAFTA-TAA rules, which are the more recent. Consolidating these two programs creates a single set of application procedures, eligibility criteria, and training requirements. This makes the program a lot more user friendly for workers and easier for the Department of Labor to run. Unlike current law, the unified program will provide income support for the full length of training. That way workers can finish the training they need instead of dropping out when income support runs out. The Administration supports these changes.

The second thing this bill does is extend TAA coverage to workers who lost their jobs when their plants relocate abroad.

Right now, these so-called "shifts in production" are covered under NAFTA-TAA, but not under regular

TAA. That means that if a factory relocates to Mexico or Canada, the displaced American workers are covered. But if the factory relocates to Thailand or Chile, they are not. That is not fair. It is not sensible.

This is not a fair or sensible way to run a trade adjustment program. There is no difference between a worker whose job moves to Mexico and one whose job moves to China. Their adjustment needs are exactly the same. The bill cures the unfairness of current law by extending TAA to cover shifts in production to any country.

The third thing this bill does is extend TAA coverage to secondary workers. Secondary workers are workers who supply parts to or perform finishing operations on a product produced by another so-called "primary" firm.

Right now, regular TAA does not cover secondary workers. Think about a case where an auto assembly plant closes because of import competition from Japan or Korea and that forces the nearby plant that supplies tires for the cars to close. All these worker lost their jobs for the same reason. But right now, the auto plant workers get TAA benefits while the workers at the nearby tire plant do not.

In 1993, secondary worker coverage was added in NAFTA-TAA. But workers can only get the benefits when the imports are from Mexico or Canada. At that time, it made some sense to extend this coverage for trade between the three countries in the new NAFTA agreement.

But now, nearly ten years later, it is time to extend the same benefits to all secondary workers. When we added secondary workers in NAFTA, it was understood that eventually it would only make sense to do it for everyone. Since then, the WTO Uruguay Round agreements have expanded trade with 145 countries, we have granted permanent normal trading relations status to China, and we have entered an FTA with Jordan and a trade agreement with Vietnam. It doesn't make sense anymore to limit these benefits to imports from Mexico and Canada. It is time to apply them across the board.

Now there have been a lot of misunderstandings about the secondary worker coverage in this bill. You have probably heard someone say that this is a radical expansion of the concept of secondary workers—that it will sweep in all sorts of people with very tenuous ties to the imports at issue. I have to say that the people making those claims have not read the bill very carefully. The definitions of secondary workers in the bill are based closely on the definitions used in the NAFTA. We have broadened the definition of supplier firms slightly, to catch some people we think are unfairly left out under current law. But other than that, this bill does not change how secondary workers are defined—it just makes secondary worker coverage universal.

The fourth thing this bill does is reauthorize the TAA for firms program.

This is a jewel of a little program that operates out of the Commerce Department. It has helped small- and medium-sized companies in Montana and nationwide that face layoffs due to import competition. Technical assistance provided under this program helps these firms become more competitive so they can retain and expand employment. The program is very cost effective. It requires the firms being helped to pay a share of the cost of assistance, and it pays the government back in federal and state tax revenues when the firms succeed.

The fifth feature of the bill is a new TAA program for communities.

Communities that experience mass layoffs due to trade competition are really in a bind. This is especially true in smaller and rural communities, such as we have in Montana. These communities may not have a lot of job opportunities for displaced workers, even with TAA retraining. Indeed, one of the main criticisms of the current TAA program is that it does nothing to make sure there are jobs for workers at the end of the retraining process.

There are a number of federal programs out there that might offer some help. They are all over the map—in Commerce, Treasury, Labor, Agriculture, HUD, and the SBA, just to name a few. But these communities have no way to start, no go-to person or resource to guide them through the maze of potential help. And the federal government doesn't make it any easier. There is very little coordination of response among the various agencies. Finally, even if communities can find these Federal resources, most existing programs are not tailored to the special needs of trade-impacted communities.

This bill tries to make federal economic assistance work better for trade-impacted distressed communities in a few simple ways. It creates a single office responsibility for coordinating the federal response. And it creates a single point of contact for the community throughout its recovery process. It gives communities the technical assistance they need to develop a strategic plan—basically a roadmap for economic recovery. That helps ensure that Federal resources are being used in the most coordinated and cost-effective way possible. Finally, it makes sure that there are expertise and resources tailored to the special needs of trade-impacted communities.

The next real innovation in this bill is the TAA program for farmers, ranchers, and fishermen.

Family farmers, ranchers and fishermen are nominally covered by the current TAA programs for workers. But hardly any have participated. They usually can't qualify, because they don't become unemployed in the traditional sense and they often don't qualify for unemployment insurance—two TAA prerequisites.

In NAFTA-TAA, there was an attempt to shoe-horn family farmers into

the program by waiving some of the eligibility requirements. But even that has not worked to bring trade-impacted farmers into the program.

After several decades of trying with little success to squeeze farmers into eligibility rules designed for manufacturing workers it is time to try something new.

What this bill does is create a TAA program better tailored to the needs of farmers, ranchers, and fishermen. Basically, the program creates a new trigger for eligibility. Instead of having to show a layoff, the farmer, rancher or fisherman has to show commodity price declines related to imports.

The trigger is different, but the program serves the same purposes. It is basically a hybrid of the TAA for workers and TAA for firms programs, using parts of each that make sense for agricultural producers. It assists the farmer, rancher or fisherman to adjust to import competition, to retrain, to obtain technical assistance, and to have access to income support to tide them over during the process. And the income support is capped and is subject to gross income limitations to make sure that the program is not being abused.

The last important innovation in this bill deals with health insurance. One common criticism of the existing program is that it does nothing to help workers with health insurance.

It is virtually impossible for a worker to pay the mortgage, feed his family, and pay health insurance premiums on \$250 a week. The worker faces a terrible choice. He can retrain under TAA in the hope of a better job—but risk going without health insurance for his family for up to two years. Or he can pass up the opportunity to retrain for a better future and take a dead-end job right away to make ends meet.

The bipartisan Trade Deficit Review Commission concluded that lack of assistance with health insurance is a significant disincentive to complete TAA training. As I said before, this group unanimously recommended that the Government help workers bridge the insurance gap between old and new jobs. And that is what we have done with this bill. Again, Secretary Rumsfeld, Ambassador Hills, and Ambassador Zoellick agreed to this point.

The bill before us today includes a 73-percent advanceable, refundable tax credit for COBRA premiums for workers eligible for TAA benefits. TAA participants who are not eligible for COBRA can use the tax credit to purchase health insurance from various State-sponsored group plans.

This issue has been surprisingly controversial. I am not saying that there is only one right way to address this issue. But what has shocked me is the number of voices suggesting that we should do nothing at all; that is, that we not help people, who are displaced on account of trade, with health insurance. That is just not acceptable. I hope we are past that now and headed

toward a reasonable compromise and that we can move forward constructively to help people who need health insurance.

Now that I have gone over the main parts of the bill, I want to speak a little about the tradition of bipartisanship on trade adjustment assistance.

Since its inception, the TAA program has always enjoyed wide bipartisan support. As I said before, a lot of work has gone into making sure this bill is no exception.

Before the bill was drafted, we consulted widely with our colleagues on both sides of the aisle. We have continued that outreach throughout the process. I thank again, Senator BINGAMAN and Senator DASCHLE for their leadership on this issue. But I also thank Senator GRASSLEY, whose proposal with Senator CONRAD for a TAA for farmers program became the core of the farmers and fishermen portions of this bill. And I thank Senator SNOWE, who has made some very important contributions to the bill dealing with fishermen, small businesses, and other issues. Her support and cosponsorship are very much appreciated.

We have also talked with the administration. They raised some technical and not-so-technical issues, and we have been able to come to understandings on many of them.

The administration wanted us to tighten up training waivers, and we did. They wanted us to cap the wage insurance program, and we did. They wanted us to revise TAA's on-the-job training provisions to work more like WIA. We did. They wanted us to clarify the definition of secondary workers and to make sure the Department of Labor has enough time to consider secondary worker petitions. We did that, too.

This process of give and take has been healthy. It has been useful. And I think the result is a good, solid, thoughtful bill, one that will make this program more fair, more efficient, and more user friendly.

If we want to rebuild the center on trade, improving trade adjustment assistance is critical. It is an integral part. It is a necessary part. I urge all my colleagues to support this provision and support the larger trade package, particularly when we proceed to consider it at a later point either this week or next.

I thank the Chair. And I particularly thank my friend from Alaska for his indulgence.

MORNING BUSINESS

Mr. DASCHLE. I ask unanimous consent the Senate now proceed to a period for morning business.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

Mr. DASCHLE. Let me further stipulate, Senators be limited to 10 minutes in time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 2481 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAISING EPA TO CABINET-LEVEL STATUS

Mr. REID. Mr. President, in recent years, some of my colleagues have opposed elevating the Environmental Protection Agency to Cabinet-level status. You and I have argued that the protection of our public health and environment, EPA's mandate, is as important as the congressional mandates which guide other Cabinet-level agencies. If the EPA enjoyed the same status as the Department of Energy or the Interior Department, maybe EPA's policies would carry the day occasionally.

As things stand, EPA is certainly losing the battle within this administration from clean air to climate change to snowmobiles in our national parks. EPA's views are overridden, undervalued, and watered down.

Take the issue of snowmobiles in Yellowstone and Grand Teton National Parks. I have spoken about these issues before. I have offered amendments that have been adopted in this regard. Snowmobiling in Yellowstone National Park and Grand Teton National Park has become popular in recent years; so popular, in fact, that the activities overwhelm the parks, its employees, and its wildlife.

Up to 1,000 snowmobilers enter the Yellowstone Park on winter weekends, most of them through the gateway community of West Yellowstone, MT. On steel cold days, a visible haze hangs over the park's gate and surrounding area. Rangers at this park wore Park Service-issued respirators this winter because the air quality had been so degraded by emissions from snowmobile engines.

I repeat, park rangers at Yellowstone National Park wore respirators because the air was so bad because of snowmobiles. These respirators were issued by the Park Service.

What have we come to when rangers have to wear a respirator in our national parks? At the very least, it is an embarrassment. I think it is a tragedy.

EPA, the protector of the air we breathe, wisely advocated banning snowmobiles due to their air quality impacts, but those were not the only impacts EPA raised. Snowmobiles also