

From National Employment Law Project

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NELP:
THOUSANDS TURN TO TRADE ADJUSTMENT ASSISTANCE (TAA)
SAFETY NET ONE YEAR AFTER EXPANSION

TAA Amendments Have Yielded Significant Jump in Petitions and Certifications for Retraining & Health Benefits Following Trade-Related Layoffs

New York – One year after a significant expansion of the Trade Adjustment Assistance (TAA) program under the American Recovery and Reinvestment Act, today the National Employment Law Project released [new analysis](#) showing that last year’s amendments have yielded a surge of employer petitions and certifications in 2009 and 2010, helping potentially thousands of workers affected by trade-related layoffs access health care credits and job training.

“The expanded trade assistance program is becoming an increasingly important safety net for workers laid off in trade-related industries. Between record unemployment and expanded funding and eligibility, more and more workplaces are seeking TAA certification. The amendments Congress enacted a year ago appear to be paying off,” said **Andrew Stettner, Deputy Director of the National Employment Law Project.**

Congress expanded the Trade Adjustment Assistance program – which provides retraining and income-support for workers who lose jobs due to increased imports or job shifts abroad — when the Trade and Globalization Adjustment Assistance Act was incorporated into the Recovery Act on May 18, 2009. The amendments to the TAA program nearly doubled funding from \$220 million to \$575 million and significantly expanded eligibility for the program to include not only workers in manufacturing, but also, for the first time, the service industry and public sector. The amendments expanded the Health Coverage Tax Credit to cover 80 percent of monthly insurance premiums, and increased the maximum duration of Trade Readjustment Allowances – cash payments for workers enrolled in training – from 130 to 156 weeks. Additionally, the expanded certification rules cover workers whose firms shifted jobs to any foreign country, where previously only certain countries were recognized in the program.

NELP’s examination of TAA activity found near record levels of TAA petitions to the U.S. Department of Labor seeking TAA certifications in 2009 and 2010.

Under TAA, employers with laid-off workers petition the Department of Labor to certify their company for benefits, which then allows eligible workers to access the support. Nationwide, 4851 Trade Adjustment Assistance petitions were filed in 2009 – a 96 percent increase in number of petitions over 2008 and a 122 percent increase over 2007 petition levels. Throughout 2009, the U.S. Department of Labor certified 2175 TAA petitions covering over 240,714 workers. In comparison, in 2008 there were 1599 TAA certifications.

This pattern of increased TAA activity continued for the 12 month period following the May 18 effective date of TAA amendments, with 4469 petitions filed under the “new” TAA program, with 2507 of those certified for TAA eligibility in the first year the amendments were effective.

The NELP study finds that leverage of TAA benefits particularly jumped in Midwest states impacted by automotive job losses. Six Great Lakes states (Michigan, Indiana, Illinois, Ohio, Wisconsin and Minnesota) accounted for nearly three out of ten certified petitions (631 petitions) and one-third of covered workers (80,402 workers) in 2009. These states also experienced larger-than-average increases in the number of petitions filed and processing times since the start of the recession at the end of 2007.

“Thanks to last year’s amendments, TAA has become a stronger safety net for dislocated workers in industries impacted by trade. The next step is making sure the programs don’t run out just as employers and workers are learning about them and starting to take full advantage,” said Stettner.

The TAA Recovery Act amendments are only in place until December 31, 2010 under current law. Congress will need to act to ensure that the improvements in the Recovery Act remain in place in 2011 and beyond.

The study also calls for more prompt processing of TAA petitions by the U.S. Department of Labor, as delays in certification create obstacles to workers enrolling in retraining programs.

“Unfortunately, increased petitions for TAA have been accompanied by significant increases in delays in processing TAA petitions before U.S. Department of Labor,” the NELP study says. According to estimates by NELP from TAA data, the average processing time for TAA petitions has increased from 37 days in 2008 to over 100 days in 2009. Due in part to increased processing times and the sheer volumes of petitions, the percentage of petitions certified declined in 2009 compared to 2008. However, it is likely that a significant number of pending petitions filed in 2009 will end up being certified in 2010.

NELP’s “Trade Adjustment Assistance Update” can be found here:

<http://www.nelp.org/page/-/EDI/TAACertifications.pdf?nocdn=1>

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