

**DEPARTMENT OF LABOR****Employment and Training  
Administration**

RIN 1205-AB07

**Trade Adjustment Assistance for  
Workers; Amendment of Regulations**AGENCY: Employment and Training  
Administration, Labor.

ACTION: Proposed rule.

**SUMMARY:** The Department of Labor proposes to amend the regulations on the trade adjustment assistance program for workers. The proposal would implement amendments to the Trade Act of 1974 made by Title V of the North American Free Trade Agreement Implementation Act, enacted December 8, 1993, and would provide uniform rules for States and State agencies in carrying out their responsibilities under the Trade Act. The proposed rule would affect workers in firms who are separated from employment because of increased imports from Mexico or Canada of articles like or directly competitive with articles produced by the workers' firm or because of the shift in production of such articles to Mexico or Canada. It would also impact State agencies that serve as agents of the United States, through written agreements with the Secretary of Labor, in providing trade adjustment assistance to adversely impacted workers.

**DATES:** Written comments on this proposed rule must be received in the Department on or before March 20, 1995.

**ADDRESSES:** Written comments may be mailed or delivered to the Office of Trade Adjustment Assistance, Employment and Training Administration, 200 Constitution Avenue NW., Room C-4318, Washington, DC 20210.

All comments received will be available for public inspection during normal business hours in Room C-4318 at the above address.

**FOR FURTHER INFORMATION CONTACT:** Victor J. Trunzo, Program Manager, Office of Trade Adjustment Assistance, Employment and Training Administration, 200 Constitution Avenue NW., Washington, DC 20210. Telephone: (202) 219-5555 (this is not a toll free number). Copies of this proposed rule are available in alternative formats for persons with disabilities. They may be obtained at the above office.

**SUPPLEMENTARY INFORMATION:** Pursuant to Chapter 2 of Title II of the Trade Act

of 1974, when a petition for trade adjustment assistance (TAA) is submitted to the Department of Labor (the Department) by a group of workers or its authorized representative, a factfinding investigation is conducted. If the findings substantiate that the workers of a firm or subdivision of a firm have been adversely affected by import competition, a certification of eligibility is issued by the Department stating that the workers are eligible to apply for TAA benefits and services at a local office of a State employment security agency. TAA benefits and services include training, job search allowances, relocation allowances, trade readjustment allowances (TRA) and other reemployment services.

This proposed rule would implement amendments to Chapter 2, Title II, of the Trade Act made by Title V—NAFTA Transitional Adjustment Assistance and Other Provisions—of the North American Free Trade Agreement (NAFTA) Implementation Act (Pub. L. 103-182). The amendments in Title V made a significant change to Chapter 2, Title II, by adding a new TAA program for workers whose employment is adversely affected because of NAFTA. This program assists workers who have been adversely affected as a result of increased imports from Mexico or Canada of articles like or directly competitive with articles produced by the workers' firm or because of the shift in production of articles by the firm to Mexico or Canada.

The Title V amendments: (1) Add a new Subchapter D in Chapter 2, Title II, of the Trade Act entitled: "Establishment of a Transitional Program"; (2) set out separate criteria for certifying a worker group for NAFTA transitional adjustment assistance (NAFTA-TAA); (3) institute procedures for filing and processing NAFTA-TAA petitions by having petitions filed with the Governor in the State where the workers' firm is located; (4) establish time frames for Governors and the Secretary of Labor to process NAFTA-TAA petitions; (5) provide for the review of a petition under the regular TAA program when denied certification under the NAFTA-TAA group eligibility requirements; (6) provide that workers covered by a NAFTA-TAA certification are eligible, with specified exceptions, for benefits and services in the same manner and to the same extent as workers certified under the regular TAA program; (7) require workers certified for NAFTA-TAA to be enrolled in training within a prescribed time period to qualify for TRA; (8) eliminate the waiver of the training requirement as a condition for TRA eligibility for

workers certified under the NAFTA-TAA program; (9) require States to provide rapid response and basic readjustment services to workers under Title III of the Job Training Partnership Act (JTPA) when the Governor preliminarily finds the workers to be adversely affected by increased imports from, or the shift of production to, Canada or Mexico; (10) provide that no worker may receive assistance relating to a separation under both the regular TAA and NAFTA-TAA programs; and (11) make other conforming changes.

This proposed rule relates only to those provisions of Title V of the NAFTA Implementation Act affecting the TAA program. Most of the provisions of Title V are in the form of amendments to Chapter 2 of Title II of the Trade Act of 1974. While some of the provisions of Title V are not in the form of amendments to the Trade Act, they nonetheless must be given effect in implementing the NAFTA-TAA program.

While the NAFTA-TAA program is generally similar to the regular TAA program, it does differ in several ways. Under the NAFTA-TAA program, Governors have been given the specific role of making a preliminary finding in response to all petitions filed by worker groups of firms in the State. State agencies administering the TAA program have also been given new program responsibilities. Workers who have been certified as eligible to receive NAFTA-TAA are required to be enrolled in training within a prescribed time period to qualify for TRA payments. Waiver of the training requirement as a condition for TRA eligibility, which is now available to eligible workers in the regular TAA program, is not available to workers certified for NAFTA-TAA.

**Section by Section Discussion***Section 617.1 Scope*

Section 617.1 would be revised to expand the scope of part 617 to include the NAFTA-TAA program. Since there are differences between the original TAA program and the NAFTA-TAA program, the original program will be referred to as the "regular TAA program" in subpart H and in several sections of the regulations revised by this rulemaking. However, all the regulations that use the term "TAA program" in part 617 would not be revised. Therefore, where this term is used in subparts A through G, it would ordinarily apply to both programs. Other technical changes would be made to this section to better reflect the services and benefits available to