FOIA Number: 2017-0401-F

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Policy Development

Series/Staff Member: Eric Biel

Subseries:

OA/ID Number: 10601

FolderID:

Folder Title:
Labor and Environmental Plans: TAA [Trade Ajustment Assistance]/ Domestic Programs [Fast Track]

Stack:	Row:	Section:	Shelf:	Position:
S	100	1	5	3

Russell W. Horwitz
11/05/97 02:57:35 PM

Record Type: Record

To: Eric R. Biel/WHO/EOP

cc:

Subject: Re: Inquiries on TAA, etc.

Sarah called over here as well. Orszag spoke to her. I would put people in touch with Orzag or Anne Lewis (depending on the question)

Eric R. Biel
11/05/97 02:52:12 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP, Russell W. Horwitz/OPD/EOP, Melissa Green/OPD/EOP

cc:
Subject: Inquiries on TAA, etc.

How are you handling calls from Hill and elsewhere on the package announced today? I've already given Edie Wilson at DLC the information, and she had a followup question--I suggested she call Jon. Also, Sarah Dragel (I think that's it) in John Breaux's office had a specific question on the dollar amounts and what she thought might be a small inconsistency in the document--she left a voicemail and can be reached at 224-6287, and asked that someone call her back asap. We've also sent the materials to USTR. Thanks, EB

Eric R. Biel
11/06/97 03:49:29 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP, Russell W. Horwitz/OPD/EOP, Anne H. Lewis/OPD/EOP
cc:
Subject: Request for materials on yesterday's package

Maureen Pritchard, who works with Janice Mays on Ways and Means Dem. staff, called to ask for the materials on yesterday's package on TAA, etc. I faxed her the 2-page summary and 10-page explanation, and gave her Jon's name and number if followup.

****
*** TX REPORT ***
****

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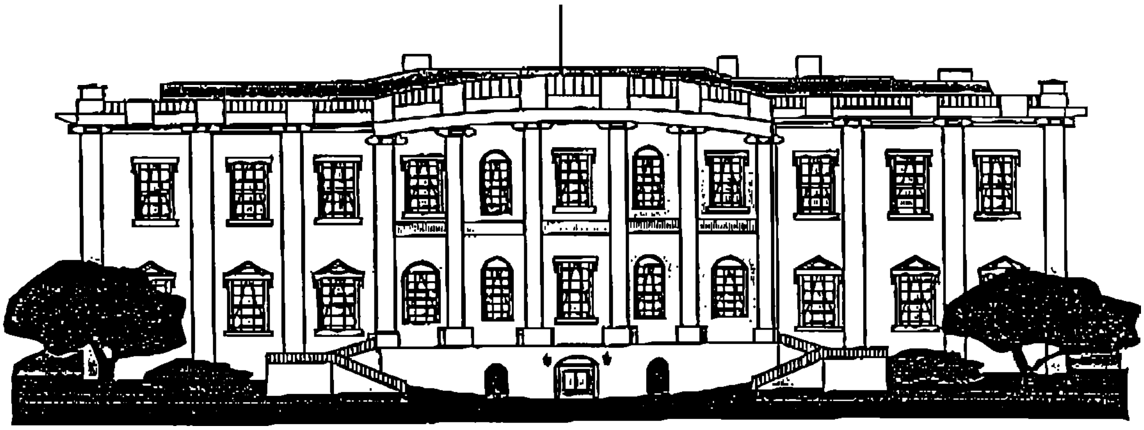

The White House

National Economic Council

To: Maureen Pritchard - Ways & Means Dem. Staff

Phone: 225-4021 Fax: 225-5680

From: Eric Biel

Phone: (202) 456-~~6630~~ 5370 Fax: (202) 456-2223

Pages including cover sheet: 13

The White House

National Economic Council

To: Maureen Pritchard – Ways & Means Dem. Staff

Phone: 225-4021 Fax: 225-5680

From: Eric Biel

Phone: (202) 456-~~6630~~ 5770 Fax: (202) 456-2223

Pages including cover sheet: 13

Comments:
Package announced yesterday. (Summary 2 pp, overall 10 pp)
Best contact if questions: Jon Orszag,
456-5367.

****
*** TX REPORT ***
****

TRANSMISSION OK

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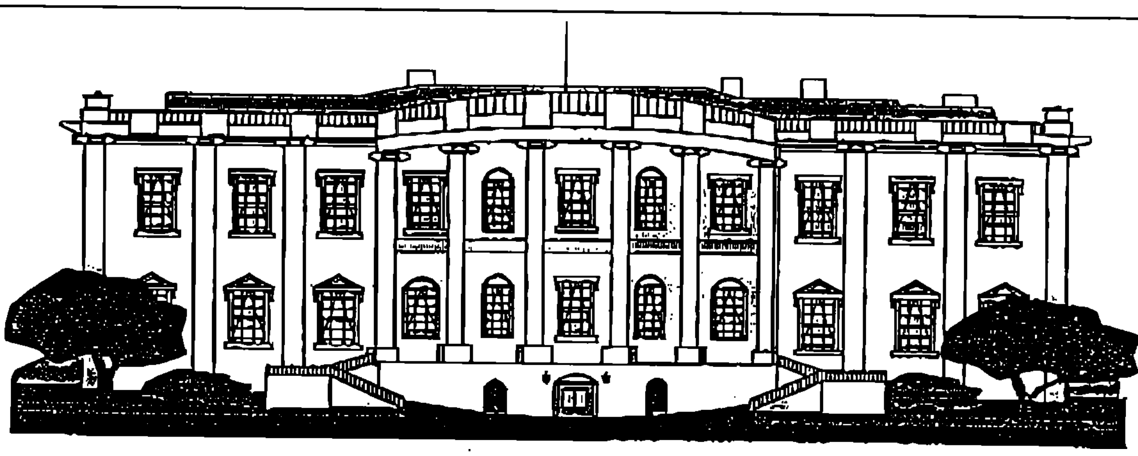


The White House

National Economic Council

To: Linda Menghetti - SFC

Phone: 228-6460 Fax: 228-0567

From: Eric Biel

Phone: (202) 456-~~6630~~ 5370 Fax: (202) 456-2223

Pages including cover sheet: 13

The White House

National Economic Council

To: Linda Menghetti – SFC

Phone: 228-6460 Fax: 228-0567

From: Eric Biel

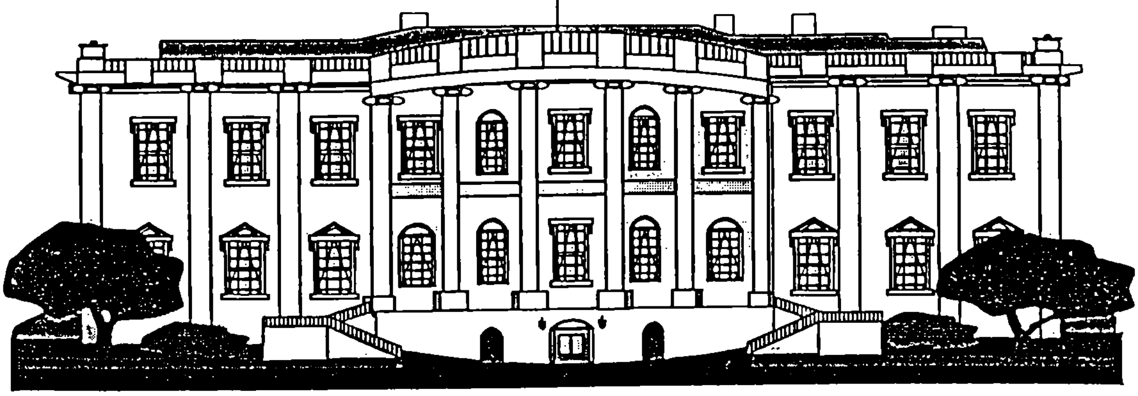
Phone: (202) 456-~~6630~~ 5370 Fax: (202) 456-2223

Pages including cover sheet: 13

Comments: Package on TAA etc.

If questions – Jon Orszag
at 456-5367

ER



The White House

National Economic Council

To: Elie Wilson - DLC

Phone: 608-1236 Fax: 544-5014

From: Eric Reid

Phone: (202) 456-~~6630~~ 5370 Fax: (202) 456-2223

Pages including cover sheet: 13

Comments:

Package announced today

ER

MAKING IT POSSIBLE FOR ALL AMERICANS TO SHARE IN THE BENEFITS OF OPEN AND FAIR TRADE

We need a progressive growth strategy in which we take every action possible to ensure that all Americans can benefit from economic change. We need to break out of the old arguments that say you are either for blocking change or you are for the market, but everyone has to fend for themselves. Government needs to help workers, communities and those not in the job market take advantage of the opportunities of expanded trade.

THE PRESIDENT, WORKING WITH MEMBERS OF CONGRESS, HAS DEVELOPED A COMPREHENSIVE SET OF INITIATIVES TO HELP ENSURE THAT ALL AMERICANS SHARE IN THE BENEFITS OF OPEN TRADE. This nine-part strategy increases funds for worker and community adjustment, while doing more to tap the untapped potential of our inner cities and poor rural communities.

The plan **(1)** expands resources to workers who lose their jobs, **(2)** helps communities get back on their feet and **(3)** helps tap the untapped potential of America's poor rural and urban communities.

EXPANDS RESOURCES TO WORKERS WHO LOSE THEIR JOBS.

I. Improves and expands Trade Adjustment Assistance and ensures a quick response for worker dislocation.

- ✔ Reauthorize TAA and NAFTA-TAA for two years.
- ✔ Give workers in firms which shift production to another country trade adjustment assistance.
- ✔ Promote "rapid response" for all substantial layoffs and plant closures.
- ✔ Cut certification times by one-third.
- ✔ Modify waiver for training requirements for TAA and NAFTA-TAA so that they are similar.
- ✔ Implement performance measures for TAA and NAFTA-TAA programs to ensure that programs work effectively.
- ✔ Create Presidential Commission on "Workers and Economic Change"

II. Expands dislocated worker funding so that funding in 2003 would be triple what it was in the year before President Clinton took office.

- ✔ $750 million increase in dislocated worker funding over five years

III. Earmarks $250 million in existing funds for secondary workers -- while initiating an informational campaign to reach out to them more effectively.

- ✔ $250 million over five years in Secretary of Labor's dislocated worker discretionary fund earmarked for secondary workers.
- ✔ Clarify that secondary firms can be certified for TAA and NAFTA-TAA even if primary firm does not apply for certification.
- ✔ Initiate informational and outreach campaign to increase the take-up rate of secondary workers

IV. Create a Trade-Adjustment Assistance Contingency to ensure that workers who lose their jobs due to trade -- including those who lose their jobs due to future trade agreements negotiated under Fast-Track authority -- receive benefits.

- ✔ Create Trade-Adjustment Assistance contingency fund that will automatically make additional adjustment assistance available for workers who have lost their jobs due to trade.

HELPING COMMUNITIES GET BACK ON THEIR FEET.

V. Provide $250 million for community adjustment -- creates Office of Community and Economic Adjustment to coordinate the response to trade-impacted areas.

- ✔ Expand Community Adjustment by $250 million over five years -- create Office of Community and Economic Adjustment to deal with trade-impacted regions.

VI. Improve and expand the North American Development Bank (NADBank).

- ✔ Expand financing for the NADBank Community Adjustment and Investment Program (CAIP) allowing the Bank to leverage private capital markets to provide over $150 million in additional financing to trade-affected communities.
- ✔ Expand outreach and technical assistance for its programs and improve accessibility for trade-impacted communities.
- ✔ Puerto Rico eligibility -- identify communities in Puerto Rico that may be eligible for assistance through CAIP as well through NAFTA Transitional Adjustment Assistance and the Economic Development Administration (EDA).

VII. Improve environmental protection along the border by making infrastructure financing more affordable.

- ✔ Make environmental infrastructure more affordable: NADBank and Border Environmental Cooperation Commission (BECC) will take steps to address the needs of poor communities.
- ✔ Strengthen community capabilities to develop new programs to provide technical assistance to border communities for environmental infrastructure development and management.
- ✔ Accelerate project development for NADBank and BECC.

VIII. Improve Export Assistance Centers so that they do more to help small businesses.

- ✔ Increase the number of rural, and small and medium-sized businesses receiving export assistance.
- ✔ Enhance and regularize training for Export Assistance Center staff.

TAPPING THE UNTAPPED POTENTIAL OF AMERICA'S POOR RURAL AND URBAN COMMUNITIES.

IX. Expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans.

- ✔ Make flexible funding available for second-round urban empowerment zones.
- ✔ Expand the YouthBuild program which provides high school dropouts 16-24 with general academic and job skills training. The proposal would increase the program $50 million over five years above the FY 98 level.
- ✔ Create opportunity areas for Out-of-School Youth which seeks to increase youth employment by supporting $250 million in competitive grants in high-poverty urban and rural areas.
- ✔ $500 million in Welfare-to-Work Transportation funds to help move people from welfare to work.
- ✔ $225 million for Community Development Financial Institutions to expand the availability of credit in distressed urban and rural areas.
- ✔ Enhance and build on tax provisions for equity investors in specialized small business companies (SSBICs).

MAKING IT POSSIBLE FOR ALL AMERICANS TO SHARE IN THE BENEFITS FROM OPEN TRADE

November 5, 1997

PRESIDENT CLINTON'S STRATEGY TO HELP WORKERS AND COMMUNITIES SUCCEED IN A GLOBAL ECONOMY. The Clinton Administration rejects the view that in the new economy, workers should be "on their own." This plan -- developed with Members of Congress -- illustrates the Administration's vision of economic growth: While we tear down foreign barriers and open foreign markets, we are going to work to bring more Americans into the winner's circle. In order to help more Americans succeed in a global economy, this plan, which will be part of the President's fiscal year 1999 budget, increases funds for worker and community adjustment, while doing more to tap the untapped potential of our inner cities and poor rural communities.

Worker Adjustment:

I. Improve and expand Trade Adjustment Assistance and ensure a quick response for worker dislocation;

II. Expand dislocated worker funding by $750 million over five years -- so that funding in 2003 would be triple what it was in the year before President Clinton took office;

III. Dedicate $250 million over next five years in existing funds for secondary workers -- while initiating an information campaign to reach out to them more effectively;

IV. Create a Trade Adjustment Assistance Contingency to ensure that funds are available to help workers who lose their jobs due to trade -- including those who lose their jobs due to future trade agreements negotiated under Fast-Track authority -- receive benefits;

Community Adjustment:

V. Provide $250 million for community adjustment -- create an Office of Community and Economic Adjustment to coordinate the response to trade-impacted areas;

VI. Improve and expand the North American Development Bank (NADBank);

VII. Improve environmental protection along the border by making infrastructure financing more affordable;

VIII. Improve Export Assistance Centers so that they do more to help small businesses; and

Tapping The Untapped Potential of America's Poor Rural and Urban Communities:

IX. Expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans.

I. **IMPROVE AND EXPAND TRADE ADJUSTMENT ASSISTANCE AND ENSURE A QUICK RESPONSE FOR WORKER DISLOCATION.** To make economic adjustment easier for workers, the Administration proposes a series of actions to make the dislocated worker and trade adjustment programs work better.

- **REAUTHORIZE TAA AND NAFTA-TAA FOR TWO YEARS.** Both the House Ways and Means and the Senate Finance Committees have approved an extension of TAA and NAFTA-TAA for two years. (TAA and NAFTA-TAA expire on September 30, 1998.) The Administration supports this reauthorization. CBO estimates the costs of the NAFTA-TAA extension for two years at about $102 million. While a two-year TAA extension costs $662 million, it does not require offsets since it is already included in the baseline.

- **GIVE WORKERS IN FIRMS WHICH SHIFT PRODUCTION TO ANOTHER COUNTRY TRADE ADJUSTMENT ASSISTANCE.** Under TAA, workers may only be certified for assistance if their firm is adversely affected by imports. Under NAFTA-TAA, workers may be certified if either their firm is adversely affected or their firm shifts production to Mexico or Canada. As part of the President's FY99 budget, the Administration would propose legislation to give workers in firms which shift production to another country trade adjustment assistance. Covering shifts in production under TAA, as well as NAFTA-TAA, would cost $69 million per year or about $345 million over five years.

- **ISSUE GUIDELINES TO PROMOTE GREATER USE OF "RAPID RESPONSE" FOR WORKER DISLOCATION.** Based on the recent experience with layoffs at Fruit of the Loom in Louisiana, the Labor Department will issue guidelines to the states promulgating that "rapid response" should be used for all substantial layoffs and plant closures. Rapid response is the initial information sharing activity (for employees, as well as employers) to facilitate access to all public programs -- this process helps individuals look for new jobs, while assessing their needs for reemployment services. The activity would occur as soon as the State receives a Worker Adjustment and Retraining Notification (WARN) notice of any substantial layoff or plant closure, or when the State becomes aware of such event through other sources.

- **CUT CERTIFICATION TIMES BY ONE-THIRD.** In order to cut the TAA certification time from 60 days to 40 days, the Department of Labor will take the following four steps: (1) reduce investigator caseload to allow for more timely follow-up in obtaining relevant company and customer data; (2) develop an enhanced in-house system for tracking import trends and performing import-impact analysis; (3) reduce the amount of time from 21 to 14 days between the day the Labor Department requests and receives data from companies; and (4) reduce the response time for the customer survey from 21 to 14 days. Technological improvements as well as possible staffing increases will allow the Department to assemble, review, and analyze investigative data and information in a more timely manner. The total cost for these improvements would be about $2.5 to $3 million over five years.

- **MODIFY WAIVER FOR TRAINING REQUIREMENTS FOR TAA AND NAFTA-TAA SO THAT THEY ARE SIMILAR.** TAA requires that a participant be enrolled in training in order to qualify for income support; however, waivers of the training requirement are granted very often. In contrast, there is no waiver authority under NAFTA-TAA. As part of the President's FY99 budget request, the Administration would propose to narrow waiver authority under TAA and loosen it under NAFTA-TAA. This would serve to both reduce the abuse of the waive provision under TAA and to harmonize the two programs. The costs of this proposal are undetermined, but it is likely revenue-neutral.

- **IMPLEMENT PERFORMANCE MEASURES FOR TAA/NAFTA-TAA PROGRAMS.** The Labor Department does not receive information on how workers do after they participate in either TAA or NAFTA-TAA programs. To ensure that the programs work effectively, the Labor Department is developing and implementing performance measures, and collecting outcome-based performance data for workers who receive adjustment assistance. This will permit better tracking of TAA/NAFTA-TAA program effectiveness, and promote improved outcomes for participants. These performance measures will be implemented within current administrative cost and program budgets.

- **CREATE PRESIDENTIAL COMMISSION ON "WORKERS AND ECONOMIC CHANGE IN A NEW ECONOMY."** The Administration will create a commission on "Workers and Economic Change in a New Economy." This commission will study businesses' best practices in the areas of education and on-the-job training, and the opportunities for improving trade-related training programs; specifically examining the Federal-State and public-private partnerships in helping educate and train America's workers for the next century. The Administration will seek to include workforce development professionals, academics, state workforce or labor commissioners, union leaders, business leaders, and Members of Congress. This commission will be appointed by the President and will report back to him with its results by December 1, 1998.

II. EXPAND DISLOCATED WORKER FUNDING SO THAT FUNDING IN 2003 WOULD BE TRIPLE WHAT IT WAS IN THE YEAR BEFORE CLINTON TOOK OFFICE.

- **$750 MILLION DOLLAR INCREASE IN DISLOCATED WORKER FUNDING OVER FIVE YEARS.** In the year before President Clinton took office, the dislocated worker program was funded at $517 million. Since President Clinton took office, dislocated worker money has more than doubled, allowing some 300,000 more dislocated workers to receive training this year than five years ago. The Administration proposes to increase funding so that a total of $750 million more in dislocated worker funding is provided over the next five years. And that means that the resources for dislocated workers in 2003 will be more than triple the $517 million funding in the year before President Clinton took office.

III. EARMARK $250 MILLION IN EXISTING FUNDS FOR SECONDARY WORKERS -- WHILE INITIATING AN INFORMATION CAMPAIGN TO REACH OUT TO THEM MORE EFFECTIVELY.

- **$250 MILLION OVER FIVE YEARS IN SECRETARY'S DISCRETIONARY FUND EARMARKED FOR SECONDARY WORKERS.** In conjunction with the passage of fast-track authority, the Department of Labor will issue a Statement of Administrative Action extending the Secretary's discretionary authority to use JTPA Title III funds to serve secondary workers in firms doing business with primary firms eligible for or certified for TAA. To ensure that adequate funding in available the Secretary of Labor will fence off $250 million over the next five years to provide job training and income support for secondary workers.

- **CLARIFY THAT SECONDARY FIRMS CAN BE CERTIFIED FOR ASSISTANCE EVEN IF PRIMARY FIRM DOES NOT APPLY FOR CERTIFICATION.** Some have expressed concern that secondary firms were being denied benefits because the relevant primary firm had not obtained certification. There are cases when the primary firm does not go through the certification process, but the secondary firm is adversely impacted from trade. Therefore, the Secretary of Labor will clarify that secondary firms -- adversely affected as a result of business lost with a primary firm -- can be certified for assistance, even if the primary firm does not apply for TAA or NAFTA/TAA certification. In order to certify these firms, the Labor Department will need to do broader, two-tiered investigations. This will cost an estimated $5 million over five years.

- **INITIATE INFORMATIONAL CAMPAIGN TO INCREASE THE TAKE-UP RATE OF SECONDARY WORKERS.** Many secondary workers do not know they are eligible for training and income support. This informational campaign will work to raise their awareness of these programs. Outreach efforts can successfully reach many workers who are not, but should be, receiving job training and income support. The resulting increased case load could require 4-5 FTEs, at a cost of $2 million over five years. The Administration proposes four methods to raise the secondary worker take-up rate:

  a. The best way for the Labor Department to find secondary workers is to start with the primary firm and work outwards. By December 1997, the Labor Department's Employment Training Administration will issue guidelines to the states requesting that they seek information from primary firms about their suppliers during or immediately following the certification process. This information will form the basis of a concerted effort to identify and locate potentially eligible secondary workers.

  b. By December 1997, the Labor Department will issue a set of guidelines so that direct contact with potentially eligible secondary firms and their workers is made. The Labor Department will also disseminate fact sheets and posters to these secondary businesses, and will make information available to personnel offices. The Labor Department will also set up a bilingual web site to help contact secondary workers.

  c. The Labor Department will distribute information to State Employment Service and Unemployment Insurance offices where workers go to file unemployment benefits.

d. In order to increase the take-up rate among secondary workers, the Labor Department would run a public education campaign using public service announcements in English and Spanish in trade-impacted areas. Specifications for the bidding process will be in place by December 1997 and the competition will begin soon thereafter. In seeking bids for the project, the Department will include in the specifications a requirement that the firm have experience with the Hispanic media in the region and will ask bidding firms to submit evidence of prior successful public education campaigns.

IV. CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY TO ENSURE THAT ALL WORKERS WHO LOSE THEIR JOBS DUE TO TRADE -- INCLUDING THOSE WHO LOSE THEIR JOBS DUE TO TRADE AGREEMENTS NEGOTIATED UNDER FAST-TRACK AUTHORITY -- RECEIVE BENEFITS.

- **CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY.** While the Administration believes that trade agreements are beneficial for the country -- with more jobs being created on net than lost -- we understand the concerns of those who believe workers will be adversely affected by these agreements. Thus, to be certain that no one is left behind, we are proposing a Trade Adjustment Assistance Contingency that automatically will make additional adjustment assistance available for workers who have lost their jobs due to trade -- including those people who lose their jobs due to trade agreements negotiated under fast-track authority. Additional funds will be made available in increments if adjustment assistance demands ever exceed the estimate in our budget. While we fully expect this contingency will not trigger on, with this safety net added to the Trade Adjustment Assistance program there should be no question that resources will be there if the need ever arises.

V. **PROVIDE $250 MILLION OVER FIVE YEARS FOR COMMUNITY ADJUSTMENT -- CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO COORDINATE RESPONSE TO TRADE-IMPACTED AREAS.**

- **EXPAND COMMUNITY ADJUSTMENT BY $250 MILLION OVER FIVE YEARS -- CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO DEAL WITH TRADE-IMPACTED REGIONS.** DOD's Office of Economic Adjustment (OEA) was the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. Learning from the defense conversion experience, we would create an OEA-type body -- the Office of Community and Economic Adjustment -- to coordinate the Administration's response to trade-impacted regions by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. They also would bring the appropriate state, local and federal groups to the table to provide adequate resources for implementing plans. The expert staff at OEA could be detailed to this body to help trade-impacted regions and workers. Moreover, to ensure there is proper funding for regions adversely impacted by trade, the Administration will expand the Economic Development Administration (EDA)'s Title IX budget. In 1997, Title IX had $27 million in funding to help areas with sudden and severe economic dislocation, such as major plant closings. The Administration will propose $50 million per year -- or $250 million over five years -- in community adjustment funding, more than doubling EDA's Title IX budget each year, while creating an Office of Community and Economic Adjustment. This will allow for comprehensive economic development assistance to regions adversely impacted by trade, or other severe economic dislocations.

VI. **IMPROVE AND EXPAND NADBANK.** The Administration proposes a three-point plan to improve and expand the North American Development Bank (NADBank):

- **EXPAND FINANCING FOR THE NADBANK CAIP.** The Administration proposes expanding paid-in capital for the North American Development Bank (NADBank) Community Adjustment and Investment Program (CAIP) by $37 million -- a full 160 percent increase over existing funds. These new funds will allow the Bank to leverage private capital markets to provide over $150 million in additional financing to trade-affected communities. The additional resources could finance new actitities, such as permitting the CAIP to provide matching grants, permitting more affordable financing for business development in trade-impacted communities, and to develop a micro-lending program to address the specialized needs of dislocated workers by encouraging small start-ups. The CAIP could also use the additional funding to expand its direct lending program by providing direct loans or innovative credit enhancements through intermediaries to assist a wide range of commercial and nonprofit borrowers who would otherwise lack access to commercial lending institutions.

- **EXPAND OUTREACH AND TECHNICAL ASSISTANCE.** The CAIP will work to increase awareness about its programs and improve accessibility for trade-impacted communities. To that end, the CAIP will work to refine the criteria of the direct lending program to better address community needs and disseminate them widely through a variety of media, including by developing a bilingual Web Site with detailed explanations of the direct lending criteria and application forms. In addition, CAIP would work with trade-impacted communities to provide technical assistance in the development of strategic plans to help identify opportunities and attract investment.

- **PUERTO RICO ELIGIBILITY.** Efforts must be made to permit communities within the Commonwealth of Puerto Rico that have been adversely impacted by trade and production shifts associated with NAFTA to access CAIP resources. To that end, the CAIP Finance Committee will develop a marketing plan identifying the appropriate authorities and community development organizations in Puerto Rico that should be provided with extensive information about CAIP eligibility requirements and programs. CAIP staff will work directly with Department of Labor (DOL) and Economic Development Administration (EDA) staff to identify communities in Puerto Rico that may be eligible for assistance through CAIP as well as EDA and workers who may be helped through NAFTA-TAA. In these eligible communities, CAIP will hold round tables with community groups, bankers, elected officials, and community leaders to market the program.

VII. IMPROVE ENVIRONMENTAL PROTECTION ALONG THE BORDER. The Administration will improve environmental protection along the border by making infrastructure financing more affordable for poor communities, strengthening community environmental capabilities and accelerating project approvals.

- **MAKING ENVIRONMENTAL INFRASTRUCTURE MORE AFFORDABLE.** The North American Development Bank (NADBank) and the Border Environment Cooperation Commission (BECC) will take steps to address the needs of poor communities: NADBank is establishing co-financing arrangements with U.S. and Mexican grant programs to provide affordable financing for border environmental infrastructure. We will seek appropriations of $250 million for this program over the next three years. NADBank is working on a proposal to help smaller U.S. communities access the tax-exempt bond market by establishing reserve funds for debt servicing in cooperation with the State Revolving Funds. This would leverage $4 million per year in NADBank financing to make available an additional $16 million per year for smaller border communities. Finally, BECC and NADBank will establish a program to assist residents in poor communities to finance residential hook-ups of water and wastewater services by providing lines of credit (through a public utility or other intermediary) to fund the costs of such services.

- **STRENGTHENING COMMUNITY CAPABILITIES:** NADBank and BECC are developing new programs to provide technical assistance to border communities for environmental infrastructure development and management. In cooperation with the EPA, BECC is establishing a Project Development Assistance Program (PDAP) to help border communities develop environmental infrastructure project proposals. This Program will commit and disburse up to $10 million to communities by the end of the year. NADBank has established an Institutional Development Program (IDP) to help communities on both sides of the border achieve effective and efficient operation of their water, sewage and solid waste management services. So far, NADBank has approved $1.8 million in technical assistance for 12 projects, and we will seek to double total IDP resources to $4 million.

- **ACCELERATING PROJECT DEVELOPMENT:** NADBank and BECC have developed a work plan for accelerating project development. Their 1997-99 work plan has identified more than 30 projects and potential projects with a total cost of more than $500 million. They will also take steps to expedite project approvals, especially for smaller border communities: Small projects (typically costing $100,000 or less) will be eligible for expedited processing, provided they are sponsored by an appropriate Federal or state agency (*e.g.*, the Texas Water Development Board). Similar projects that meet BECC/NADBank requirements for project quality and review will be considered for certification as a group and financed through a NADBank line of credit with an appropriate Federal or state agency.

VIII. **IMPROVE EXPORT ASSISTANCE CENTERS SO THAT THEY DO MORE TO HELP SMALL BUSINESSES.** There are over a hundred Export Assistance Centers located across the United States helping businesses export American goods abroad. Small businesses are an essential part of America's export strategy, accounting for almost 96% of all exporters, but only 30% of the value of exports. As part of our National Export Strategy, we will:

- **INCREASE BOTH THE NUMBER OF RURAL BUSINESSES AND SHARE OF SMALL AND MEDIUM-SIZED BUSINESSES RECEIVING EXPORT ASSISTANCE.** By the end of 1999, the Export Assistance Center Network will increase by 20 percent the number of small and medium-sized firms receiving export assistance in the United States. To ensure this increase, the Export Assistance Center Network will do more to fully engage the programs of all its strategic partners to reach out to those businesses which have not ventured into foreign markets. Many small businesses in poorer rural communities have not realized their full export potential. To ensure more is done for rural small businesses, the Export Assistance Center Network will increase its focus on manufacturers and service companies located in rural areas -- with the goal of increasing by 20 percent the number of rural businesses who report exporting successes through the Export Assistance Network.

- **ENHANCE AND REGULARIZE TRAINING FOR EXPORT ASSISTANCE CENTER STAFF.** The Department of Commerce will enhance and regularize the training of all Export Assistance Center staff, improving customer service. Part of this training will be increasing the familiarity of the Export Assistance Centers field staff with all Trade Promotion Coordinating Committee (TPCC) agency programs, particularly in the trade finance area.

IX. EXPAND INITIATIVES THAT HAVE PROVEN RECORDS OF HELPING TO CREATE JOBS AND OPPORTUNITY FOR DISADVANTAGED AMERICANS. In order to create jobs and opportunity for disadvantaged Americans, the Administration proposes to:

- **MAKE FLEXIBLE FUNDING AVAILABLE FOR SECOND-ROUND URBAN EMPOWERMENT ZONES.** The Administration would request $100 million per year in flexible grant funds for second-round urban EZs. This funding could be used for a wide range of activities, including economic development and housing projects, project-based rental assistance, and job training. Providing flexible grant funding for the second-round of urban Empowerment Zones would cost $500 million over the next five years.

- **EXPAND THE YOUTHBUILD PROGRAM.** YouthBuild provides high school dropouts 16-24 with general academic and job skills training, as well as apprenticeships constructing and rehabilitating affordable housing. The FY 1998 appropriation for YouthBuild is $35 million. This proposal would provide, beginning in FY 1999, an increase of $10 million per year -- or $50 million over five years -- for YouthBuild (above the FY 98 level).

- **CREATE OPPORTUNITY AREAS FOR OUT-OF-SCHOOL YOUTH.** The Administration requested and continues to advocate strongly for $250 million in competitive grants to selected high-poverty urban and rural areas, including designated EZs and ECs, to increase out-of-school youth employment. The House Labor-HHS-Education Appropriations bill includes $100 million in funding for FY 1999; the Senate bill $250 million (also advance funded). The Administration will work to ensure that the out-of-school youth program receive $250 million per year, or $1.25 billion over five years.

- **$500 MILLION IN WELFARE-TO-WORK TRANSPORTATION FUNDS.** The Administration requested $100 million for an unspecified number of projects. The initial House bill provided $42 million for 10 projects. The Senate transit legislation reported by the Banking Committee fully funds the President's request. To help move people from welfare-to-work, the Administration will continue working to secure full funding for welfare-to-work transportation funds. The Administration will work to ensure that welfare-to-work transportation funds receive $500 million over the next five years.

- **$225 MILLION FOR CDFIs TO EXPAND THE AVAILABILITY OF CREDIT IN DISTRESSED URBAN AND RURAL AREAS.** The Community Development Financial Institution (CDFI) fund is designed to expand the availability of credit, investment capital, financial services, and other development services in distressed urban and rural communities. The Administration requested $125 million for CDFIs, but the Treasury-Postal conference report provided $80 million for FY98. The Administration will propose a $45 million increase over the conference report in our next budget -- that's $225 million over five years for CDFIs.

- **ENHANCE AND BUILD ON TAX PROVISIONS FOR EQUITY INVESTORS IN SSBICs.** The Administration is committed to ensuring the success of the initiatives contained in the President's 1993 Economic Plan to encourage investments in specialized small business companies (SSBICs). The Administration would work with Congressman Jefferson and Congressional tax-writing staffs to enhance the effectiveness of these provisions through proposed modifications. These proposed modifications would cost on the order of $50 million over five years.

Russell W. Horwitz
11/05/97 11:39:53 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Worker and Community Adjustment Assistance Package Materials

The first document is a 2-page summary/talking points.

The second document is the package. taa.tps fastfin.n05

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TAA MEETING

10/23 - Gene Nickey/Bill
+ Jeff/Linda/Jake/Jon o/Russ

I. Status of Proposal

II. Consultations

- Democrats
- Republicans

III. Follow-through after Monday's speech

- Hill Press Conference

Q's
- POTUS announce "elevates" ... but keep goal ... FY 2000s
- pledge / total cost · Repubn. reaction / consultns
- vote/assurance - incl. CHC "bad faith"

Key things
- Secretary offers - $400 mil
- TAA + NAFTA-TAA converge ("shift of prodn") - hight cost ($7 mil/yr) & legislative need offset
- admin. improvts.
- Comnty adjustment +EDA
mtg. efforts / new like DOD/OEA
but where - DoC? DoL?
- NADBank
- "Job creation" - repkg / most in budget anyway
Empowerment zones, out of school youth, etc.

annces Wed 10/29

Gene 10/24 / Jefferson / Hayes / Hamilton

calls to list of undecided

checking on votes - Kitty triggering re list
impact 3-4 votes (TAA more)
- story
- supplt. > Herman press confce?

+ Daschle → Kerry & Lautenberg

+ Daschle - agric - separate?

Daschle/labor & environ - all outside bill / Keep Sep

annce. Fri 10/31 - Potus in Fla?

Stress - budget & not bill!   Counter "vote buying"
"Authorship"/credit -- incl. Daschle
Merging TAA/domestic & intl labor & environ

keeping sep - labor for oppts to attk TAA

but does delay it!

ENSURING THAT ALL AMERICANS SHARE IN THE BENEFITS FROM OPEN TRADE

October 20, 1997

DRAFT

To ensure that all Americans share in the benefits from open trade, President Clinton proposes a five-part strategy: first, the Administration proposes to improve, extend, and expand the Trade Adjustment Assistance program; second, expand the capacity of the government to provide comprehensive economic development assistance to regions affected by major plant closings; third, improve and expand the North American Development Bank, while addressing international environmental issues; fourth, expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans; and fifth, propose a range of initiatives to strengthen internationally recognized labor standards.

I. **IMPROVE, EXTEND, AND EXPAND TRADE ADJUSTMENT ASSISTANCE.** In order to better help those workers who lose their jobs due to trade, the Administration has proposed a 12-point action plan to improve, extend, and expand Trade Adjustment Assistance (TAA). The expansion of TAA includes seven specific proposals to help secondary workers -- those workers who work in firms that are direct suppliers for firms certified under TAA:

1. **Reauthorize TAA and NAFTA-TAA for Four Years.**

2. **Give Workers in Firms Which Shift Production to Another Country Trade Adjustment Assistance.**

3. **Modify Waiver for Training Requirements for TAA and NAFTA-TAA So That They Are Similar.**

4. **Cut Certification Times by One-Third.**

5. **Implement Performance Measures for TAA/NAFTA-TAA Programs.**

6. **$200 Million Over Five Years in Secretary's Discretionary Fund Earmarked for Secondary Workers.**

7. **$250 Million in Dislocated Worker Funding Earmarked to Secondary Workers.**

8. **Clarify That Secondary Firms Can Be Certified for TAA/NAFTA-TAA Even If Primary Firm Is Not Certified.**

9. **Labor Department Guidelines to States to Urge Them to Find Out Information About Secondary Firms.**

10. **Issue Guidelines to Take a Proactive Stance and Contact Secondary Firms Potentially Impacted by Loss of Business.**

11. **Public Service Campaign in English and Spanish about the Benefits Secondary Workers Can Receive.**

12. **Distribute Information on Benefits Available to Secondary Workers at Unemployment Offices.**

II. **EXPAND COMMUNITY ADJUSTMENT ASSISTANCE.** To ensure that economically distressed communities can rebound from major plant closings, the Administration proposes the following:

1. **$200 Million to Expand EDA So They Can Effectively Deal With Trade Adjustment.**

2. **Create Coordinating Body to Deal with Trade Adjustment.** Learning from the defense conversion experience, we would create a body -- such as DOD's Office of Economic Adjustment -- to coordinate the Administration's response to trade-impacted regions by working with Labor, Commerce, SBA, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop credible economic adjustment strategies. They also would bring the appropriate state, local and federal groups to the table to provide adequate resources for implementing plans. The expert staff at OEA could be detailed to this body to help trade-impacted regions and workers.

III. **IMPROVE AND EXPAND NADBANK; ADDRESS INTERNATIONAL ENVIRONMENTAL ISSUES.** The Administration proposes a 9-point plan to improve and expand the North American Development Bank (NADBank), while also addressing international environmental issues:

1. **To Provide Maximum Leverage for Every Dollar Spent, the North American Development Bank (NADBank) Community Adjustment and Investment Program (CAIP) Should Take Advantage of All Existing Federal Direct Lending and Loan Guarantee Programs Related to Job Creation and Economic and Community Development.**

2. **To Ensure That the CAIP Criteria for Direct Lending Are Well Developed and Widely Disseminated, the CAIP Will Work to Refine the Criteria of the Direct Lending Program to Better Address Community Needs and Disseminate Them Widely Through a Variety of Media.**

3. **To Address the Need for Grantmaking Authority, the Operating Guidelines of the CAIP must Be Amended.** The Administration Proposes to Enable CAIP to Provide a Combination of Loans and Grants, Permitting More Affordable Financing for Business Development in Trade-impacted Communities.

4. **Efforts must Be Made to Permit Communities Within the Commonwealth of Puerto Rico That Have Been Adversely Impacted by Trade and Production Shifts Associated with NAFTA to Access CAIP Resources.**

5. **Working Through Existing Federal Programs and Direct Loans, the CAIP Would Expand its Activities to Provide Micro-Loans to Encourage Small Start-ups and Microeconomic Development.**

6. **Additional CAIP Staff Will Be Required to Administer the Expansion of Caip Programs and Authority.**

7. **To Ensure High-Level Coordination with NAFTA-TAA and EDA, the Membership of the NADBank CAIP Finance Committee Will Be Expanded to Include Representatives from the Departments of Labor and Commerce.**

8. **Trade-impacted Communities Are in Need of Significant Technical Assistance to Develop Strategic Plans to Help Identify Opportunities and Attract Investment. CAIP Would Provide Such Assistance to Eligible Communities, Working Closely with EDA.**

9. **The Direct Lending Program of CAIP Would Be Expanded by $20 Million over Four Years.**

(See Attached Document for More Detailed Information on Following Three Items.)

10. **WTO Transparency and Openness.**

11. **WTO: Eminent Persons Group.**

12. **International Financial Institutions.**

IV. EXPAND CURRENT INITIATIVES THAT HAVE PROVEN RECORDS OF HELPING TO CREATE JOBS AND OPPORTUNITY FOR DISADVANTAGED AMERICANS. In order to create jobs and opportunity for disadvantaged Americans, the Adminstration proposes the following:

1. **Make Flexible Funding Available For Second-round Urban Empowerment Zones.** The Administration would request $100 million per year -- or $500 million over five years -- in grant funds for second-round urban EZs.

2. **Expand the YouthBuild Program.** This proposal would provide, beginning in FY 1999, an increase of $10 million per year for YouthBuild (above the FY 98 conference level).

3. **Create Opportunity Areas for Out-of-School Youth.** The Administration would work to ensure that the out-of-school youth program receive $250 million per year or $1.25 billion over the next five years.

4. **$500 Million in Welfare-to-Work Transportation Funds.** The Administration will work to ensure that welfare-to-work transportation funds receive $500 million over the next five years.

5. **Permit States to Set Aside On-the-Job Training Positions For Welfare Recipients And EZ/EC Residents on Federally-funded Highway Projects.**

6. **$250 Million to Open Additional JobCorps Centers And Improve Existing Ones.**

7. **$225 Million for CDFIs to Expand the Availability of Credit in Distressed Urban and Rural Areas.**

V. **IMPROVE INTERNATIONALLY RECOGNIZED LABOR STANDARDS.** The Administration supports a range of initiatives designed to strengthen the respect for internationally recognized labor standards. The list of measures that follows illustrates our commitment to address worker right issues agressively in a variety of different ways:

(See Attached Document for More Detailed Information.)

1. **Benchmark Review of Future Free Trade Agreement (FTA) Partners.**

2. **Labor Department Review of North American Labor Agreement.**

3. **International Financial Institutions (IFIs): Ensuring International Focus on Worker Rights Issues; Enhanced Focus Within the Administration; and Heightening the Priority Given by the IFIs to Worker Rights Issues.**

4. **Export Processing Zones.**

POLICY PROPOSALS AS PART OF FAST-TRACK TRADE NEGOTIATING AUTHORITY

October 13, 1997

I. Reauthorization of TAA:

1. **REAUTHORIZE TAA AND NAFTA-TAA FOR FOUR YEARS.** The Senate Finance has approved an extension of TAA and NAFTA-TAA for two years. (TAA and NAFTA-TAA expire September 30, 1998.) The Finance Committee paid for NAFTA-TAA extension by extending a processing fee ($5) for commercial passengers entering the U.S. from Mexico, Canada, and the Caribbean. The fee would be extended for a time period sufficient to pay for the two-year extension. The Administration would propose the reauthorization of TAA and NAFTA-TAA through fiscal year 2002.

    - CBO estimates the costs of the NAFTA-TAA extension for four years at about $102 million. While TAA extension costs $1.26 billion over four years, it does not require offsets since it is already included in the baseline.

II. Possible Improvements to TAA:

LEGISLATIVE CHANGES:

2. **GIVE WORKERS IN FIRMS WHICH SHIFT PRODUCTION TO ANOTHER COUNTRY TRADE ADJUSTMENT ASSISTANCE.** Under TAA, workers may only be certified for assistance if their firm is adversely affected by imports. Under NAFTA-TAA, workers may be certified if either their firm is adversely affected or their firm shifts production to Mexico or Canada. This proposal would give workers in firms which shift production to another country trade adjustment assistance.

    - Covering shifts in production under TAA, as well as NAFTA-TAA, would cost $69 million per year or about $345 million over five years.

3. **MODIFY WAIVER FOR TRAINING REQUIREMENTS FOR TAA AND NAFTA-TAA SO THAT THEY ARE SIMILAR.** Theoretically, TAA requires that a participant be enrolled in training in order to qualify for income support, but waivers are granted very often. In contrast, there is no waiver authority under NAFTA-TAA. As part of reauthorization, the Administration could propose to narrow waiver authority under TAA and loosen it under NAFTA-TAA. This would serve to both reduce the abuse of the waive provision under TAA and to harmonize the two programs.

    - The costs of this proposal are still being determined, but it is likely revenue-neutral. This proposal could also be done administratively.

ADMINISTRATIVE CHANGES:

4. **CUT CERTIFICATION TIMES BY ONE-THIRD.** In order to cut the certification time from 60 days to 40 days, the Department of Labor will take the following four steps: (1) reduce investigator caseload to allow for more timely follow-up in obtaining relevant company and customer data; (2) develop an enhanced in-house system for tracking import trends and performing import-impact analysis; (3) reduce the amount of time from 21 to 14 days between the day the Labor Department requests and receive data from companies; and (4) reduce the length of the customer survey from 21 to 14 days.

   - Technological improvements as well as possible staffing increases will allow the Department to assemble, review, and analyze investigative data and information in a more timely manner. The total cost for these improvements would be \$2.5 to \$3 million over five years.

5. **IMPLEMENT PERFORMANCE MEASURES FOR TAA/NAFTA-TAA PROGRAMS.** The Labor Department does not receive information on how workers do after they participate in either TAA or NAFTA-TAA programs. To ensure that the programs work effectively, the Labor Department is developing and implementing performance measures, and collecting outcome-based performance data for workers who receive adjustment assistance. This will permit better tracking of TAA/NAFTA-TAA program effectiveness, and thus, improved outcomes for participants.

   - These performance measures can be accomplished within current administrative cost and program budget limitations.

6. **ISSUE GUIDELINES URGING STATES TO GIVE WORKERS 30 DAY EXTENSION IF THEY ARE RECEIVING REMEDIAL EDUCATION.** While the 6/16 requirement -- that is, the requirement that certified workers enroll in training by their 16th week on unemployment insurance, or enroll in training by their 6th week after being certified under NAFTA/TAA -- is statutory and can not be changed administratively, the Labor Department will issue guidelines to the states requesting that they provide 30 additional days for dislocated workers who are receiving English as a second language (ESL) or another form of remedial education to get into training. The statutory language gives certified workers up to 30 additional days on the 6/16 requirement if there are "extenuating circumstances" that do not allow them to be in training by the specified time periods. The Labor Department guidelines will state the ESL or other remedial education programs classify as "extenuating circumstances."

III. Community Adjustment Assistance:

7. **$200 MILLION TO EXPAND EDA SO THEY CAN EFFECTIVELY DEAL WITH TRADE ADJUSTMENT.** Expand EDA's budget by $200 million over the next five years, so that they could provide comprehensive economic development assistance to regions affected by major plant closings. Some priority could be given to trade-impacted regions.

   - So that EDA could provide more comprehensive economic development assistance, including trade-impacted areas, the Administration would propose expanding EDA's budget by $200 million over the next five years.

8. **CREATE COORDINATING BODY TO DEAL WITH TRADE ADJUSTMENT.** DOD's Office of Economic Adjustment (OEA) was the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. Learning from the defense conversion experience, we would create an OEA-type body to coordinate the Administration's response to trade-impacted regions by working with Labor, Commerce, SBA, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop credible economic adjustment strategies. They also would bring the appropriate state, local and federal groups to the table to provide adequate resources for implementing plans. The expert staff at OEA could be detailed to this body to help trade-impacted regions and workers.

   - The Administration would propose $10 million per year -- or $50 million over five years -- for funding this coordinating body, which would require approximately 8 FTEs.

IV. $455 Million To Cover Secondary Workers Under TAA:

9. **$200 MILLION OVER FIVE YEARS IN SECRETARY'S DISCRETIONARY FUND EARMARKED FOR SECONDARY WORKERS.** In conjunction with the passage of fast track authority, the Department of Labor will issue a Statement of Administrative Action extending the Secretary's discretionary authority to use JTPA Title III funds to serve secondary workers in firms doing business with primary firms eligible for or certified for TAA. To ensure that adequate funding in available the Secretary of Labor will fence off <u>$200 million</u> over the next five years to ensure job training and income support for secondary workers.

10. **$250 MILLION IN DISLOCATED WORKER FUNDING EARMARKED TO SECONDARY WORKERS.** The Administration will propose a $50 million increase in JTPA Title III in our FY99 budget and will earmark this money to help secondary workers receive the job training and income support they need and deserve. Between FY99 and FY03, this expansion of dislocated worker funding for secondary workers would mean an additional <u>$250 million</u> of resources. As with Action Item #1, this proposal would serve secondary workers affected by trade.

- In addition to basic education, training and income support, the $455 million over five years the Administration will spend on secondary workers will be used to develop better approaches to serving special targeted groups. These grants will be flexible, customized and aimed at filling in the gaps in our training system. Cities, states and local non-profit groups will participate in developing innovating new approaches. For example:

  - The Department will develop a competitive demonstration program to better develop bilingual and literacy training strategies, and contextual learning strategies which incorporate language skills into job training programs and have been shown to be effective. This demonstration program would fund 5 projects -- similar to the CET model -- of $2 million each from FY97 funds. The awards would be given by March 1998 and providers would be in place by June 1998.

  - The Department will also plan to leverage these grants to support and complement other federal, state and local efforts for economic development and community adjustment.

11. **CLARIFY THAT SECONDARY FIRMS CAN BE CERTIFIED FOR TAA/NAFTA-TAA EVEN IF PRIMARY FIRM IS NOT CERTIFIED.** Some have expressed concern that secondary firms were being denied benefits because the relevant primary firm had not obtained certification. There are cases when the primary firm does not go through the certification process, but the secondary firm is adversely impacted from trade. Therefore, the Secretary of Labor will clarify that secondary firms -- adversely affected as a result of business lost with a primary firm -- can be certified for TAA or NAFTA-TAA, even if the primary firm is not certified.

- In order to certify these firms, the Labor Department will need to do broader, two-tiered investigations. This will cost an estimated $5 million over five years.

INFORMATION CAMPAIGN TO INCREASE TAKE-UP RATE OF SECONDARY WORKERS:

12. **LABOR DEPARTMENT GUIDELINES TO STATES TO URGE THEM TO FIND OUT INFORMATION ABOUT SECONDARY FIRMS.** The best way for the Labor Department to find secondary workers is to start with the primary firm and work outwards. By December 1997, the Labor Department's Employment Training Administration will issue guidelines to the states requesting that they seek information from primary firms about their suppliers during or immediately following the certification process. This information will form the basis for a systemic effort to identify and locate potentially eligible secondary workers.

13. **ISSUE GUIDELINES TO TAKE A PROACTIVE STANCE AND CONTACT SECONDARY FIRMS POTENTIALLY IMPACTED BY LOSS OF BUSINESS.** By December 1997, the Labor Department will issue a set of guidelines so that direct contact with potentially eligible secondary firms and their workers is made. The Labor Department will also disseminate fact sheets and posters to these secondary businesses, and will make information available to personnel offices. The Labor Department will also set up a bilingual web site to help contact secondary workers.

14. **PUBLIC SERVICE CAMPAIGN IN ENGLISH AND SPANISH ABOUT THE BENEFITS SECONDARY WORKERS CAN RECEIVE.** In order to increase the take-up rate among secondary workers, the Labor Department would run a public education campaign using public service announcements in English and Spanish in trade-impacted areas. Specifications for the bidding process will be in place by December 1997 and the competition will begin soon thereafter. In seeking bids for the project, the Department will include in the specifications a requirement that the firm have experience with the Hispanic media in the region and will ask bidding firms to submit evidence of prior successful public education campaigns. National Economic Advisor Sperling and Secretary of Labor Herman will choose two staff members to monitor the Department's activity in implementing this campaign. (Anne Lewis, Special Assistant to the President for Economic Policy and former Assistant Secretary of Labor for Public Affairs, will be the NEC's representative.)

15. **DISTRIBUTE INFORMATION ON BENEFITS AVAILABLE TO SECONDARY WORKERS AT UNEMPLOYMENT OFFICES.** The Labor Department will distribute information to State Employment Service Offices where workers go to file unemployment benefits.

- This information campaign will increase the take-up rate among secondary workers. Outreach efforts can successfully reach many workers who are not, but should be, receiving job training and income support. The resulting increased case load will require 4-5 FTEs, at a cost of $2 million over five years.

V. Job Creation Initiatives:

16. **MAKE FLEXIBLE FUNDING AVAILABLE FOR SECOND-ROUND URBAN EMPOWERMENT ZONES.** The Administration would request $100 million per year -- or $500 million over five years -- in grant funds for second-round urban EZs. This funding could be used for a wide range of activities, including economic development and housing projects, project-based rental assistance, and job training. Although the Administration requested $100 million in flexible urban EZ funding for FY 1998, the FY98 VA-HUD conference report includes only $5 million in EZ planning funds, with no guarantee of actual program funding for FY 1999.

- Providing flexible funding for the second-round of urban Empowerment Zones would cost $100 million per year, or $500 million over the next five years.

17. **EXPAND THE YOUTHBUILD PROGRAM.** YouthBuild provides high school dropouts 16-24 with general academic and job skills training, as well as apprenticeships constructing and rehabilitating affordable housing. The FY 1998 VA-HUD conference report will likely include $35 million for YouthBuild. This proposal would provide, beginning in FY 1999, an increase of $10 million per year for YouthBuild (above the FY 98 conference level).

- Expanding the YouthBuild program would cost $10 million per year or $50 million over five years.

18. **CREATE OPPORTUNITY AREAS FOR OUT-OF-SCHOOL YOUTH.** The Administration requested and continues to advocate strongly for $250 million in competitive grants to selected high-poverty urban and rural areas, including designated EZs and ECs, to increase youth employment. The House Labor-HHS-Education Appropriations bill includes $100 million in forward funding for FY 1999; the Senate bill $250 million (also forward funded).

- The Administration would work to ensure that the out-of-school youth program receive $250 million per year or $1.25 billion over the next five years.

19. **$500 MILLION IN WELFARE-TO-WORK TRANSPORTATION FUNDS.** The Administration requested $100 million for an unspecified number of projects. The initial House bill provided $42 million for 10 projects. The Senate transit legislation reported by the Banking Committee fully funds the President's request. To help move people from welfare-to-work, the Administration will continue working to secure full funding for welfare-to-work transportation funds.

- The Administration will work to ensure that welfare-to-work transportation funds receive $500 million over the next five years.

20. **PERMIT STATES TO SET ASIDE ON-THE-JOB TRAINING POSITIONS FOR WELFARE RECIPIENTS AND EZ/EC RESIDENTS ON FEDERALLY-FUNDED HIGHWAY PROJECTS.** The Administration would work to permit states to set aside on-the-job training positions for welfare recipients and residents of EZ/ECs on Federally-funded highway projects. This NEXTEA provision is not included as proposed in either the House or Senate transportation bills, although the House bill does include a preference for welfare recipients.

- The annual cost of this proposal is zero.

21. **$250 MILLION TO OPEN ADDITIONAL JOBCORPS CENTERS AND IMPROVE EXISTING ONES.** JobCorps centers provide basic education, training, work experience, and other support to economically disadvantaged youth typically from debilitating environments. The Administration would propose to increase funding for JobCorps so that additional centers could be opened and existing centers could be improved.

- The Administration would propose a $50 million increase in JobCorps funding -- over five years, that's an additional $250 million.

22. **$225 MILLION FOR CDFIs TO EXPAND THE AVAILABILITY OF CREDIT IN DISTRESSED URBAN AND RURAL AREAS.** The Community Development Financial Institution (CDFI) fund is designed to expand the availability of credit, investment capital, financial services, and other development services in distressed urban and rural communities. The Administration requested $125 million for CDFIs, but the Treasury-Postal conference report provided $80 million for FY98.

- The Administration will propose a $45 million increase over the conference report in our next budget -- that's $225 million over five years for CDFIs.

VI. Building On Tax Provisions for Investors in Specialized Small Business Investment Companies (SSBICs):

23. **ENHANCE AND BUILD ON TAX PROVISIONS FOR EQUITY INVESTORS IN SSBICs.** The Administration is committed to ensuring the success of the initiatives contained in the President's 1993 Economic Plan to encourage investments in specialized small business companies (SSBICs). The Administration would work with Congressman Jefferson and the tax-writing staff to enhance the effectiveness of these provisions through proposed modifications. The starting point of the discussions would be the proposals already put forward by Congressman Jefferson in his letter to National Economic Advisor Sperling on October 3, 1997. These proposed modifications would cost on the order of $50 million over five years.

VII. 9-Point Action Plan to Improve Nadbank CAIP:

24. **LEVERAGING FEDERAL PROGRAMS.** To provide maximum leverage for every dollar spent, the North American Development Bank (NADBank) Community Adjustment and Investment Program (CAIP) should take advantage of all existing federal direct lending and loan guarantee programs related to job creation and economic and community development.

- The White House (National Economic Council and Office of Management and Budget) will coordinate with senior Administration officials to compile an inventory of federal programs that address job creation and community development.

- The CAIP Presidential Advisory Committee will hold a public meeting to review this inventory and solicit recommendations from community members.

- The Finance Committee will investigate the potential of each such program to achieve CAIP's mission, and establish an indirect lending relationship where the potential is high.

25. **DIRECT LENDING CRITERIA.** To ensure that the CAIP criteria for direct lending are well developed and widely disseminated, the CAIP will work to refine the criteria of the direct lending program to better address community needs and disseminate them widely through a variety of media. The direct lending guidelines should be formulated with sufficient flexibility to permit the CAIP to use innovative collateral structures to extend loans for projects that are creditworthy but outside the standard guidelines of banks and other commercial institutions.

- The Presidential Advisory Committee will hold a public meeting to solicit input on the direct lending criteria. The Finance Committee will work with the professional NADBank staff to ensure these criteria are formulated to be responsive to community needs.

- CAIP staff will work to establish a Web Site that will make widely available detailed explanations of the direct lending criteria and application forms in both English and Spanish. CAIP will aim to have a prototype up and running by the end of the year.

26. **GRANTMAKING AUTHORITY.** To address the need for grantmaking authority, the operating guidelines of the CAIP must be amended. The effectiveness of the CAIP could be significantly enhanced by enabling it to provide a combination of loans and grants, permitting more affordable financing for business development in trade-impacted communities.

- The Department of the Treasury will amend its agreement with NADBank to provide the CAIP with grantmaking authority. The Finance Committee would seek approval for this new facility from the NADBank Board of Directors, if this approval were deemed necessary.

- The Los Angeles CAIP will be provided with the resources and authority to make matching grants to eligible applicants, in connection with direct loans and indirect loans through participating federal programs. CAIP could provide grants as a form of credit enhancement or equity contribution. New grantmaking authority would require new funding in an amount equivalent to the CAIP's current direct lending program.

27. **PUERTO RICO ELIGIBILITY.** Efforts must be made to permit communities within the Commonwealth of Puerto Rico that have been adversely impacted by trade and production shifts associated with NAFTA to access CAIP resources.

- In October 1997, the CAIP Finance Committee will develop a marketing plan identifying the appropriate authorities and community development organizations in Puerto Rico that should be provided with extensive information about CAIP eligibility requirements and programs.

- CAIP staff will work directly with Department of Labor (DOL) and Economic Development Administration (EDA) staff to identify communities in Puerto Rico that may be eligible for assistance through CAIP as well as through NAFTA Transitional Adjustment Assistance (TAA) and EDA.

- In eligible communities, CAIP is prepared to hold round tables with community groups, bankers, elected officials, and community leaders to market the program.

28. **MICRO-LENDING PROGRAM.** Meetings with workers groups such as La Mujer Obrera have underscored the importance of micro-lending programs to address the specialized needs of dislocated workers. Working through existing federal programs and direct loans, the CAIP would expand its activities to provide micro-loans to encourage small start-ups and microeconomic development.

- The Finance Committee will examine the prerequisites for establishing such a program for dislocated workers, working with existing micro-lending programs.
- Additional funding of $1 million would be used to provide micro-loans.

29. **EXPAND CAIP STAFFING.** Additional CAIP staff will be required to administer the expansion of CAIP programs and authority. At a cost of $1 million over four years, the number of professional staff could be doubled, greatly expanding the capacity for outreach, technical assistance and loan assessments.

30. **EXPAND FINANCE COMMITTEE TO IMPROVE COORDINATION.** To ensure high-level coordination with NAFTA-TAA and EDA, the membership of the NADBank CAIP Finance Committee will be expanded to include representatives from the Departments of Labor and Commerce. This group will meet as frequently as once a week for the next six months to provide oversight to the CAIP, including determinations of community eligibility and loan approvals.

31. **PROVIDE TECHNICAL ASSISTANCE.** Trade-impacted communities are in need of significant technical assistance to develop strategic plans to help identify opportunities and attract investment. For a cost of $8 million over four years, CAIP could provide such assistance to eligible communities, working closely with EDA.

32. **EXPAND DIRECT LENDING.** The direct lending program allows the CAIP to assist a wide range of commercial and nonprofit borrowers who would otherwise lack access to commercial lending institutions. This program allows loans to be extended directly or used for innovative credit enhancements through intermediaries such as establishing loan loss reserves or taking a "first loss" position on a participated loan. The direct lending program, which is currently funded at $7 million, could benefit from an expansion of $20 million over four years.

WORKER ADJUSTMENT PROGRAMS

Dislocated Workers Program (Title III of JTPA as amended by EDWAA)

Eligibility: All dislocated workers.

Benefits:
- -- Little additional income support beyond standard 26 weeks of UI.
- -- Training comprises bulk of benefits.
- -- Job search and counselling.

Cost: $1.35 billion FY 98 appropriation.

Beneficiaries: 605,000 in FY 98

Trade Adjustment Assistance (TAA)

Eligibility: Workers displaced by trade.

Benefits:
- -- Extends income support for up to 78 weeks in total.
- -- Provides training for up to 104 weeks, and includes liberal waiver provisions.
- -- Job Counselling and Job Search.

Cost: $208 million in FY 98 for benefits
$97 million in FY 98 for training

Budget status: Entitlement; requires reauthorization in September 1998.

Beneficiaries: 30,000 in 1996

NAFTA Transitional Adjustment Assistance (NAFTA-TAA)

Eligibility:
- -- Workers displaced by trade or production shift to Mexico or Canada;
- -- "Secondary" workers displaced by shift of supplier to Mexico or Canada (eligible for income support);
- -- Family farmers and farmworkers (who do not meet TAA "group" requirement).

Benefits:
- -- Extends income support for up to 78 weeks in total.
- -- Training requirement: must be enrolled within limited time; provides training for up to 104 weeks.
- -- Relocation allowance.
- -- Job search and counselling.

Cost: $22 million in FY 98 for benefits
$22 million in FY 98 for training

Budget status: Entitlement; reauthorization in September 1998.

Beneficiaries: 49,000 certifications in 1996; 3,300 beneficiaries.

Note: Budget request for TAA is based on historical experience, not forecast of job losses. Statistics on TAA beneficiaries have never received scrutiny as a proxy for job displacement associated with trade comparable to that directed at NAFTA-TAA.

TRADE ADJUSTMENT ASSISTANCE
AND
NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE

Number of Workers Entering Training by Fiscal Year

Fiscal Year *	Regular TAA Program	NAFTA-TAA Program
1992	18,582	N/A
1993	19,467	N/A
1994	26,586	669
1995	27,600	2,118
1996	34,077	2,655

* The NAFTA-TAA program did not begin until January 1, 1994, so the figure for fiscal year 1994 reflects only part-year activity.

NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAM

Petition Activity As Of 06/23/97

Since January 1, 1994, NAFTA-TAA petitions have been received for workers in 1,965 firms located in 48 States. The distribution of petitions recieved by State is as follows:

Alabama	14	Kentucky	30	Ohio	48
Alaska	3	Louisiana	7	Oklahoma	9
Arizona	18	Maine	9	Oregon	93
Arkansas	38	Maryland	1	Pennsylvania	219
California	101	Massachusetts	30	Puerto Rico	0
Colorado	20	Michigan	64	Rhode Island	0
Connecticut	8	Minnesota	10	South Carolina	23
Delaware	2	Mississippi	1	South Dakota	1
Dist. of Col.	0	Missouri	57	Tennessee	86
Florida	59	Montana	29	Texas	185
Georgia	84	Nebraska	3	Utah	8
Guam	0	Nevada	4	Vermont	3
Hawaii	0	New Hampshire	4	Virgin Islands	0
Idaho	34	New Jersey	56	Virginia	27
Illinois	55	New Mexico	7	Washington	108
Indiana	64	New York	128	West Virginia	32
Iowa	5	North Carolina	93	Wisconsin	59
Kansas	11	North Dakota	4	Wyoming	11

Certification Process

Determinations have been reached by DOL on 1,870 of the 1,965 petitions received to date. A total of 1,106 worker groups have been certified; of these, 555 were based on a shift of production to Canada or Mexico, 368 were based on increased customer imports, 152 were based on increased subject firm imports, and 31 were based on high and rising aggregate imports from Canada or Mexico.

The 1,106 certifications cover an estimated 130,271 workers.

TRADE ADJUSTMENT ASSISTANCE
AND
NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE

Number of Workers Entering Training by Fiscal Year

Fiscal Year*	Regular TAA Program	Increase Over Previous Year**	% **	NAFTA-TAA Program	Increase over Previous year**	% **
1992	18,582	N/A		N/A	N/A	N/A
1993	19,467	885	4.76	N/A	N/A	
1994	26,586	7,119	36.57	669	N/A	
1995	27,600	1,014	3.80	2,118	1,449	216.60
1996	34,077	6,477	23.47	2,665	547	25.80

*The NAFTA-TAA program did not begin until January 1, 1994, so for fiscal year 1994 reflects only part-year activity.

** Prepared by the U.S. NAO, from data provided by TAA, U.S. Department of Labor, June 24, 1997

NAFTA Transitional Adjustment Assistance
Historical Summary

All Figures Are Cumulative from
The Beginning of the NAFTA Program -- January 1994

By the End of	Petitions Filed	Cases Certified	Workers Affected
June 1994	168	59	4,825
September 1994	250	103	10,345
October 1994	268	114	12,015
November 1994	293	125	13,496
December 1994	321	152	17,320
January 1995	353	162	18,085
February 1995	378	177	20,601
March 1995	418	191	23,175
April 1995	447	206	27,465
May 1995	478	234	31,726
June 1995	509	251	34,876
July 1995	544	266	36,555
August 1995	583	292	38,811
September 1995	625	301	42,221
October 1995	667	340	47,536
November 1995	707	354	49,194
December 1995	746	372	52,339
January 1996	801	396	55,753
February 1996	866	435	59,269
March 1996	942	471	64,073
April 1996	1,004	497	66,602
May 1996	1,052	535	72,136
June 1996	1,112	580	78,038
July 1996	1,164	612	80,861
August 1996	1,220	643	86,068
September 1996	1,260	659	87,732
October 1996	1,319	693	94,161
November 1996	1,368	709	95,770
December 1996	1,406	732	99,497

NAFTA-TAA Budget History (in millions)

	1994*	1995	1996	1997		
raining	$8.5	$21.4	$32.5	$28.4		
efits	5.0	22.0	34.0	20.0		
l	13.5	43.4	66.5	48.4		

rs the nine-month period from 1/1/94 to 9/30/94

NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAM

Petition Activity

From January 1994 through **December 31, 1996**, NAFTA-TAA petitions have been received for workers in **1,406** firms in 48 States:

Alabama	9	Kentucky	25	Ohio	29
Alaska	2	Louisiana	5	Oklahoma	6
Arizona	15	Maine	7	Oregon	80
Arkansas	23	Maryland	1	Pennsylvania	160
California	76	Massachusetts	25	Puerto Rico	0
Colorado	14	Michigan	41	Rhode Island	0
Connecticut	6	Minnesota	7	South Carolina	18
Delaware	2	Mississippi	1	South Dakota	1
Dist of Columbia	0	Missouri	32	Tennessee	55
Florida	22	Montana	16	Texas	145
Georgia	56	Nebraska	3	Utah	5
Guam	0	Nevada	2	Vermont	3
Hawaii	0	New Hampshire	2	Virgin Islands	0
Idaho	19	New Jersey	48	Virginia	14
Illinois	47	New Mexico	7	Washington	91
Indiana	46	New York	98	West Virginia	23
Iowa	1	North Carolina	63	Wisconsin	40
Kansas	6	North Dakota	3	Wyoming	6

Certification Process

Investigations have been concluded by DOL on **1,321** petitions. Of the 732 firms that have been certified, 416 cases were based on a shift in production from the U.S. to Mexico or Canada, 230 were based on increased customer imports, and 86 were based on company imports from Mexico or Canada. The **732** certifications cover about **99,497** workers.

NAFTA Petition Certification Listing

Reason for Certification		Cases	Workers
C-1	Shift in production to Mexico	321	41,405
C-2	Shift in production to Canada	95	9,410
C-3	Increased customer imports from Mexico	63	10,452
C-4	Increased customer imports from Canada	65	6,713
C-5	Increased customer imports; not identified Canada/Mexico	102	15,188
6	Increased company imports from Mexico	55	8,432
	Increased company imports from Canada	23	6,360
	Increased company imports; ot identified Canada/Mexico	8	1,537
	AL CERTIFIED:	732	99,497

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TEN-POINT ACTION PLAN TO COVER SECONDARY WORKERS AND EXPAND AND IMPROVE TAA

$455 MILLION OVER FIVE YEARS FOR SECONDARY WORKERS:

I. **$200 MILLION OVER FIVE YEARS IN SECRETARY'S DISCRETIONARY FUND EARMARKED FOR SECONDARY WORKERS.** In conjunction with the passage of fast track authority, the Department of Labor will issue a Statement of Administrative Action extending the Secretary's discretionary authority to use JTPA Title III funds to serve secondary workers in firms doing business with primary firms eligible for or certified for TAA. To ensure that adequate funding in available the Secretary of Labor will fence off <u>$200 million</u> over the next five years to ensure job training and income support for secondary workers.

II. **$250 MILLION IN DISLOCATED WORKER FUNDING EARMARKED TO SECONDARY WORKERS.** The Administration will propose a $50 million increase in JTPA Title III in our FY99 budget and will earmark this money to help secondary workers receive the job training and income support they need and deserve. Between FY99 and FY03, this expansion of dislocated worker funding for secondary workers would mean an additional <u>$250 million</u> of resources. As with Action Item #1, this proposal would serve secondary workers affected by trade.

- In addition to basic education, training and income support, the $455 million over five years the Administration will spend on secondary workers will be used to develop better approaches to serving special targeted groups. These grants will be flexible, customized and aimed at filling in the gaps in our training system. Cities, states and local non-profit groups will participate in developing innovating new approaches. For example, the Department will develop:

    - a competitive demonstration program to better develop bilingual training strategies;

    - contextual learning strategies which incorporate language skills into job training programs and have been shown to be effective;

    - plans to leverage these grants to support and complement other federal, state and local efforts for economic development and community adjustment.

III. CLARIFY THAT SECONDARY FIRMS CAN BE CERTIFIED FOR TAA/NAFTA-TAA EVEN IF PRIMARY FIRM IS NOT CERTIFIED. Some have expressed concern that secondary firms were being denied benefits because the relevant primary firm had not obtained certification. There are cases when the primary firm does not go through the certification process, but the secondary firm is adversely impacted from trade. Therefore, the Secretary of Labor will clarify that secondary firms -- adversely affected as a result of business lost with a primary firm -- can be certified for TAA or NAFTA-TAA, even if the primary firm is not certified.

- In order to certify these firms, the Labor Department will need to do broader, two-tiered investigations. This will cost an estimated $5 million over five years.

INFORMATION CAMPAIGN TO INCREASE TAKE-UP RATE OF SECONDARY WORKERS:

IV. LABOR DEPARTMENT GUIDELINES TO STATES TO URGE THEM TO FIND OUT INFORMATION ABOUT SECONDARY FIRMS. The best way for the Labor Department to find secondary workers is to start with the primary firm and work outwards. The Labor Department's Employment Training Administration will issue guidelines to the states requesting that they seek information from primary firms about their suppliers during or immediately following the certification process. This information would form the basis for a systemic effort to identify and locate potentially eligible secondary workers.

V. ISSUE GUIDELINES TO TAKE A PROACTIVE STANCE AND CONTACT SECONDARY FIRMS POTENTIALLY IMPACTED BY LOSS OF BUSINESS. The Labor Department would issue a set of guidelines so that direct contact with potentially eligible secondary firms and their workers is made. The Labor Department would also disseminate fact sheets and posters to these secondary businesses, and would make information available to personnel offices. The Labor Department would also set up a bilingual web site to help contact secondary workers.

VI. PUBLIC SERVICE CAMPAIGN IN ENGLISH AND SPANISH ABOUT THE BENEFITS SECONDARY WORKERS CAN RECEIVE. In order to increase the take-up rate among secondary workers, the Labor Department would run a public education campaign using public service announcements in English and Spanish in trade-impacted areas.

VII. DISTRIBUTE INFORMATION ON BENEFITS AVAILABLE TO SECONDARY WORKERS AT UNEMPLOYMENT OFFICES. The Labor Department will distribute information to State Employment Service Offices where workers go to file unemployment benefits.

- This information campaign will increase the take-up rate among secondary workers. Outreach efforts can successfully reach many workers who are not, but should be, receiving job training and income support. The resulting increased case load will require 4-5 FTEs, at a cost of $2 million over five years.

EXPAND AND IMPROVE TAA:

VIII. ISSUE GUIDELINES URGING STATES TO GIVE WORKERS 30 DAY EXTENSION IF THEY ARE RECEIVING REMEDIAL EDUCATION. While the 6/16 requirement -- that is, the requirement that certified workers enroll in training by their 16th week on unemployment insurance, or enroll in training by their 6th week after being certified under NAFTA/TAA -- is statutory and can not be changed administratively, the Labor Department will issue guidelines to the states requesting that they provide 30 additional days for dislocated workers who are receiving English as a second language (ESL) or another form of remedial education to get into training. The statutory language gives certified workers up to 30 additional days on the 6/16 requirement if there are "extenuating circumstances" that do not allow them to be in training by the specified time periods. The Labor Department guidelines will state the ESL or other remedial education programs classify as "extenuating circumstances."

IX. CUT CERTIFICATION TIMES BY ONE-THIRD. In order to cut the certification time from 60 days to 40 days, the Department of Labor will take the following four steps: (1) reduce investigator caseload to allow for more timely follow-up in obtaining relevant company and customer data; (2) develop an enhanced in-house system for tracking import trends and performing import-impact analysis; (3) reduce the amount of time from 21 to 14 days between the day the Labor Department requests and receive data from companies; and (4) reduce the length of the customer survey from 21 to 14 days. See attached time lines for changes in certification process.

- Technological improvements as well as possible staffing increases will allow the Department to assemble, review, and analyze investigative data and information in a more timely manner. The total cost for these improvements would be $2.5 to $3 million over five years.

X. IMPLEMENT PERFORMANCE MEASURES FOR TAA/NAFTA-TAA PROGRAMS. The Labor Department does not receive information on how workers do after they participate in either TAA or NAFTA-TAA programs. To ensure that the programs work effectively, the Labor Department is developing and implementing performance measures, and collecting outcome-based performance data for workers who receive adjustment assistance. This will permit better tracking of TAA/NAFTA-TAA program effectiveness, and thus, improved outcomes for participants.

- These performance measures can be accomplished within current administrative cost and program budget limitations.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
September 26, 1997

Michelle Lynn Bonner
202-622-2960

STAGE I SITES FOR THE UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

The Department of the Treasury today announced that businesses in 12 new communities are eligible for loans or loan guarantees through the United States Community Adjustment and Investment Program (CAIP) to help these businesses create new job opportunities. These communities join the 35 communities that were declared eligible in August.

In (STATE), businesses in the (CITY, CITY, CITY) are eligible for these loans or loan guarantees.

The CAIP was established to encourage and foster economic opportunities within communities that have experienced job losses related to implementation of the North American Free Trade Agreement (NAFTA). The CAIP works through the coordinated efforts of the United States Government and the North American Development Bank (NADBank) to provide business financing in areas with job displacement and few existing job opportunities.

The NADBank is an international financial institution jointly capitalized and governed by the United States and Mexico to finance environmental infrastructure projects along the U.S./Mexico border and provide financial assistance for domestic community adjustment and investment in both countries. Approximately ten percent of the United States' contributions to the NADBank (approximately $20 million) is earmarked for CAIP.

The twelve communities eligible for CAIP loans or loan guarantees were identified based on statistics provided by the Department of Labor NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) program and the 1996 unemployment data, as estimated by the Bureau of Labor Statistics. Businesses in these communities may be eligible to borrow directly from the NADBank or other federal loan guarantee programs operated by the United States Department of Agriculture and the Small Business Administration.

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Businesses in other communities will be eligible for future CAIP financing. The criteria includes: (1) evidence of a significant job loss connected to the passage of NAFTA and a substantial continued need for transition assistance; (2) the project for which the funding is being sought will create new private sector jobs; and (3) the business lacks access to private sector lending at reasonable terms and conditions.

Communities, businesses or financial institutions that are interested in the CAIP should contact the NADBank Los Angeles Office, Tel: (562) 908-2100, Fax: (562) 908-2110 or write to NADBank, 13191 Crossroads Parkway North, Suite 275, City of Industry, CA 91746.

-30-

Communities Eligible for the U.S. Community Adjustment and Investment Program

Alaska
Ketchikan

Alabama
Greenville *

Arkansas
Blytheville
Des Arc
Pocahontas

California
Pacoima
Santa Ana
Watsonville

Connecticut
Dayville

Georgia
Dawson
Vidalia
Helena *

Idaho
Hayden Lake

Indiana
Monon

Kansas
Osage City *

Louisiana
Coushatta
St. Martinville *
Port Barre *

Michigan
White Pine

Missouri
St. Joseph

New Jersey
Elizabeth

New York
Fulton
Syracuse

North Carolina
Chocowinity
Laurinburg
Lumberton
Rocky Mount
Tarboro
Washington

Ohio
Greenfield
Zanesville *

Pennsylvania
Erie
Lewistown

South Carolina
Kingstree *

Tennessee
Celina
Newbern *
Spencer *

Texas
Brownsville
El Paso
Robstown
Tyler *
Weslaco *

Virginia
Martinsville *

Washington
Centralia
Richland

Wisconsin
Hawkins
Racine

* Designates Stage 1, Second Round Sites for the U. S. Community Adjustment and Investment Program.

US DEPARTMENT OF THE TREASURY

OFFICE OF THE ASSISTANT SECRETARY (PUBLIC AFFAIRS)
1500 PENNSYLVANIA AVENUE, NW - 2325 MT
WASHINGTON DC 20020
(202) 622-0631 FAX: (202) 622-2809

Date: September 26, 1997

To: Jake Siewert

Fax #: 202-456-2223

From: Michelle Lynn Bonner
Special Assistant, Public Affairs

Subject: NADBank

Pages: 3 (excludes cover sheet)

Notes: This went out regionally this afternoon. Releases also went out of SBA and USDA at the same time.

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210

FAX COVER SHEET

Date: 9-14-97

To: Gene Sperling

Fax Number: 456-2878

Addressee's Phone Number:

From: Andrew Samet

Fax Number: (202) 219-5980

Sender's Phone Number: 219-6043

Number of Pages including this cover sheet: 3

If there is any problems receiving this fax please call (202) 219-6043

Remarks :

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210

September 12, 1997

MEMORANDUM FOR GENE SPERLING

FROM: Andrew Samet

SUBJECT: Proposals for Administrative Improvements to Adjustment Assistance Programs

The Deputy Secretary has asked me to send you the attached paper with proposals for administrative improvements to adjustment assistance programs to help trade-impacted workers.

cc K. Higgins

PROPOSED ADMINISTRATIVE IMPROVEMENTS

TO ADJUSTMENT ASSISTANCE SERVICE PROGRAMS

TO HELP TRADE-IMPACTED WORKERS

As Referenced by Secretary of Labor Herman to the Hispanic Caucus

Outreach, Early Intervention and Rapid Response

Develop a comprehensive strategy to improve and enhance the outreach, and early intervention services provided to workers prior to assessment of trade impact. Make information about eligibility for trade programs a part of this rapid response strategy. This will be done through clear notifications to states of expectations, as well as improved guidelines and technical assistance on identification of particular groups, such as secondary workers who can be served under Job Training Partnership Act dislocated worker programs. Public information campaigns will also be utilized.

Worker Transition Committees

Provide administrative guidelines to the dislocated worker system that encourage collaboration between trade and Title III of the Job Training Partnership Act regarding the establishment of worker transition committees and in planning the delivery of comprehensive services to trade-related dislocated workers who are entitled to benefits under Trade Adjustment Assistance (TAA) or NAFTA-TAA. Existing agreements with the States to serve workers under NAFTA-TAA will be revised to incorporate provisions that States assist in and encourage the establishment of worker transition committees among their responsibilities under NAFTA-TAA. The guidance will also encourage collaboration with local elected officials and representatives from economic development and community based organizations; education, trade and job training to establish strategies to avert worker dislocations or to create new job opportunities where none or few currently exist.

Certification Time Line

Shorten the determination period on a Trade Adjustment Assistance petition from 60 days to 40 days to accelerate the delivery of services to eligible workers.

Outcome Data

Collect outcome based performance data for workers who received adjustment assistance services in order to be able to assess the effectiveness of the programs and fine tune them.