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Highlights

Highlights of [GAO-04-1012](#), a report to the Committee on Finance, U.S. Senate

Why GAO Did This Study

The Trade Adjustment Assistance (TAA) Reform Act of 2002 consolidated two programs serving trade-affected workers and made changes to expand benefits and decrease the time it takes for workers to get services. GAO was asked to provide information on (1) how key reform provisions have affected program services, (2) what have been the challenges in implementing new provisions, (3) whether demand for TAA training has changed and how states are meeting this demand, and (4) what is known about what the TAA program is achieving.

What GAO Recommends

GAO recommends that the Department of Labor monitor the implementation of certain provisions of the TAA Reform Act and propose legislative changes if:

- the new training enrollment deadline is negatively affecting some workers, or
- the eligibility criteria for the new wage insurance provision are resulting in denial of services to some older workers who could benefit from them.

In its comments, Labor did not raise any issues with our findings, conclusions, or recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-1012.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd R. Nilsen at (202) 512-7215 or nilsens@gao.gov.

TRADE ADJUSTMENT ASSISTANCE

Reforms Have Accelerated Training Enrollment, but Implementation Challenges Remain

What GAO Found

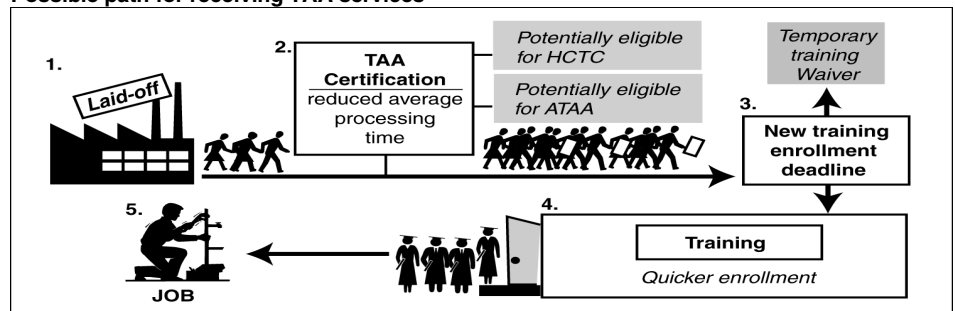
Most workers are enrolling in services more quickly than in prior years, partly because of a new 40-day time limit Labor must meet when processing a request, or petition, for TAA coverage. Labor reduced its average petition-processing time from 107 days in fiscal year 2002 to 38 days in fiscal year 2003 after the Reform Act took effect. Also, most states reported that workers are enrolling in training sooner because of a new deadline requiring workers to be enrolled in training by the later of 8 weeks after petition certification or 16 weeks after a worker's layoff. However, this deadline may have negatively affected some workers—especially during large layoffs—as it does not always leave enough time to assess workers' training needs.

States reported challenges implementing some new provisions of the TAA Reform Act. Officials in most of the states we visited reported an increased administrative workload from issuing training waivers to allow workers to qualify for the Health Coverage Tax Credit (HCTC)—over 40 percent more waivers were issued in fiscal year 2003 than in 2002. While officials in all the states we visited said workers are or are likely to be interested in the wage insurance provision (Alternative TAA, or ATAA) that supplements the wages of certain workers aged 50 and over, it is still unclear how many workers will take advantage of this benefit. However, some found the provision's eligibility criteria problematic, partly because they require workers to lack easily transferable skills yet find reemployment within 26 weeks of layoff.

Demand for TAA training increased substantially in fiscal year 2002, prior to the implementation of the reforms. States have struggled to meet this higher demand with available TAA training funds, even though TAA training funds available nationally doubled between fiscal years 2002 and 2003. Most states have responded by using other federal employment and training resources.

Information on TAA program results has been limited, but Labor is making improvements by requiring states to use wage records to track TAA outcomes. Labor also initiated a new, 5-year evaluation study.

Possible path for receiving TAA services



Source: GAO analysis.