

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION TAA
	CORRESPONDENCE SYMBOL TWT
	DATE Nov. 16, 1998

DIRECTIVE : GENERAL ADMINISTRATION LETTER NO. 8-98, CHANGE 2
TO: : ALL STATE EMPLOYMENT SECURITY AGENCIES
FROM : DAVID HENSON *David Henson*
 Director
 Office of Regional Management
SUBJECT : Continuation of the Trade Adjustment Assistance (TAA) and NAFTA Transitional Adjustment Assistance (NAFTA-TAA) Programs

1. Purpose. To provide State Employment Security Agencies with guidance upon the reauthorization of the Trade Act of 1974 and the enactment of the FY 1999 Labor/HHS appropriation.

2. References. Section 285(c) of the Trade Act of 1974, as amended, the FY 1999 Omnibus Appropriations Act (P.L. 105-277), GAL 8-98 and GAL 8-98, Change 1.

3. Background. Section 285(c) of the Trade Act provided a sunset date for the TAA and NAFTA-TAA programs of midnight on September 30, 1998. GAL 8-98 and GAL 8-98, Change 1 had instructed the States to continue operating the programs under the first and subsequent continuing resolutions, since funds were provided for both programs in the then-pending FY 1999 Labor/HHS appropriations bill.

The FY 1999 Omnibus Appropriations Act (P.L. 105-277), signed by the President on October 21, 1998, includes a provision for the extension of the trade adjustment assistance programs (TAA and NAFTA-TAA) through midnight on June 30, 1999. However, P.L. 105-277 also reduced the training cap of the NAFTA-TAA program from \$30 million to \$15 million for the period beginning October 1, 1998 and ending June 30, 1999.

RESCISSIONS None	EXPIRATION DATE June 30, 1999
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4. Interpretation. The TAA and NAFTA-TAA programs are to continue operating normally until June 30, 1999, when the current reauthorization expires.

Although the sunset date of the programs is now currently June 30, 1999, full-year funding for both the TAA and the NAFTA-TAA programs was included in the FY 1999 Labor/HHS appropriation. Further, while the NAFTA-TAA training cap was reduced from \$30 million to \$15 million for the period from October 1, 1998 to June 30, 1999, the FY 1999 appropriation was not commensurately reduced.

It is expected that the programs will be reauthorized prior to the sunset date of June 30, 1999. ETA will work with OMB and the Congress to clarify our authority to access the remaining \$15 million for obligation between July 1 and September 30, 1999.

Clearly, the reduction in the NAFTA-TAA training cap is of some concern to ETA, since both the TAA and the NAFTA-TAA training authorizations were fully obligated by DOL in FY 1998. Presently, strategies are under consideration which would help alleviate the financial constraints on NAFTA-TAA training which may occur later in FY 1999. ETA will closely monitor the availability of training resources throughout the early months of FY 1999 and will apprise States of the need for any adjustments to the management of TAA and NAFTA-TAA training resources should such adjustments become necessary. States which continue to "dual-enroll" participants in the Title III program may have greater flexibility in the event that the limited funding available for the first nine months of FY 1999 under the NAFTA-TAA program becomes problematic.

5. Action Required. States are instructed to continue operation of the TAA and NAFTA-TAA programs through June 30, 1999. ETA will advise the States of further developments as they occur. ETA will also issue additional instructions on the continuation of the programs in the future.

6. Inquiries. Inquiries regarding these instructions should be directed to the appropriate Regional Office.