

## TEXAS WORKFORCE COMMISSION LETTER

<b>ID/No:</b>	WD 08-18
<b>Date:</b>	June 21, 2018
<b>Keyword</b>	Trade Adjustment Assistance
<b>Effective</b>	July 21, 2018

**To:** Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers



**From:** Courtney Arbour, Director, Workforce Development Division

**Subject:** **Trade Adjustment Assistance: Local Commuting Area and Reasonable Cost of Training Standard**

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### **PURPOSE:**

To provide Local Workforce Development Boards (Boards) with the following information and guidance on the Trade Adjustment Assistance (TAA) program:

- Definition of “local commuting area”
- Reasonable cost of training standard

### **BACKGROUND:**

#### *Local Commuting Area*

The Trade Act of 1974 requires that TAA program approved training includes the cost of travel and subsistence if the training provider is outside the trade-affected worker’s local commuting area. TAA regulations also require that first consideration be given to training available within the local commuting area.

On May 8, 2018, the Texas Workforce Commission’s (TWC) three-member Commission (Commission) approved modifications to the definition of local commuting area, reducing it from 50 miles one way to 25 miles one way.

#### *Reasonable Cost of Training Standard*

Approved training must meet all TAA training approval criteria, including that the cost of training be reasonable. Under the Trade and Globalization Adjustment Assistance Act of 2009, DOL directs states to establish a statewide reasonable cost of training standard. On May 8, 2018, the Commission approved modifications to the reasonable cost of training standard by raising it from \$17,000 to \$25,000.

## **PROCEDURES:**

**No Local Flexibility (NLF):** This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF):** This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”

### **Local Commuting Area**

**NLF:** Boards must be aware that “local commuting area” is now defined as 25 miles one way.

**NLF:** Boards must ensure that staff uses the shortest one-way distance from residence to place of training to determine whether:

- the travel distance is within the local commuting area; and
- travel and/or subsistence costs are to be included in the cost of TAA training.

**NLF:** If the distance from residence to training site exceeds 25 miles one way, Boards must ensure that travel and/or subsistence costs are included in the cost of TAA training. Cost is based on the entire travel distance, not just the distance over 25 miles.

### **Reasonable Cost of Training Standard**

**NLF:** Boards must be aware that the reasonable cost of training standard is \$25,000. The reasonable cost of training standard includes:

- all training required to make the TAA participant job ready in a specific occupation; and
- any required travel and subsistence outside the local commuting area.

**NLF:** Boards must ensure that the reasonable cost standard is considered when TAA training is being planned.

The reasonable cost standard is not a cost cap. Boards must ensure that TAA training meets the “lowest-cost” training approval criteria. If the estimated cost of the lowest-cost training exceeds the reasonable cost standard, Boards must submit a justification for the higher cost to TWC’s Workforce Technical Assistance TAA unit by:

- fax to (512) 936-0331; or
- e-mail to [TAA@twc.texas.gov](mailto:TAA@twc.texas.gov).

**NLF:** Boards also must be aware that a TAA reasonable cost of training request shall not be approved until the TAA State Coordinator has approved the justification.

The approved changes to the local commuting area and the reasonable cost of training standard will also be made to TWC's Trade Adjustment Assistance Guide.

**LF**: Boards may use the Trade Adjustment Assistance Reemployment Plan (TAA REP), which is available on the TWC intranet at [https://intra.twc.texas.gov/intranet/gl/html/trade\\_forms.html](https://intra.twc.texas.gov/intranet/gl/html/trade_forms.html). (Note: The intranet is not available to the public.)

**NLF**: Boards choosing to develop a local REP must ensure that it includes all elements in the TAA REP.

**INQUIRIES:**

Send inquiries regarding this WD Letter to [wfpolicy.clarifications@twc.texas.gov](mailto:wfpolicy.clarifications@twc.texas.gov).

**ATTACHMENT:**

Attachment 1: Trade Adjustment Assistance Reemployment Plan (TAA REP)

**REFERENCES:**

The Trade Adjustment Assistance Reauthorization Act of 2015 [Public Law (No. 114-27)]

The Trade Adjustment Assistance (TAA) Extension Act of 2011 [Public Law (No. 112-40)]

The Trade and Globalization Adjustment Assistance Act of 2009 [Division B, Title I, Subtitle I of the American Recovery and Reinvestment Act of 2009 [Public Law (No. 111-5)]

The Trade Adjustment Reform Act of 2002 [Public Law (No. 107-210)]; 20 CFR Part 617

The Trade Act of 1974, as amended [Public Law (No. 93-618), as amended]

US Department of Labor Employment and Training Administration, Training and Employment Guidance Letter No. 11-02, issued October 10, 2002, and entitled "Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002," with Changes 1, 2, and 3

US Department of Labor Employment and Training Administration, Training and Employment Guidance Letter No. 22-08, issued May 15, 2009, and entitled "Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009"

US Department of Labor Employment and Training Administration, Training and Employment Guidance Letter No. 10-11, issued November 18, 2011, and entitled "Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA)"

US Department of Labor Employment and Training Administration, Training and Employment Guidance Letter No. 05-15 Change 1, issued September 23, 2016, and entitled "Change 1 to the Trade Adjustment Assistance (TAA)"

Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015)”