



Committee On Finance

Max Baucus (D-Mont.)

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BAUCUS, COLEMAN SEEK TO EXPAND TRADE ADJUSTMENT ASSISTANCE AS 110TH CONGRESS BEGINS

Bipartisan legislation will provide income, retraining to more American workers whose jobs are affected by trade agreements

Washington, DC – On this first day of the 110th Congress, U.S. Senators Max Baucus (D-Mont.) and Norm Coleman (R-Minn.) introduced legislation to reauthorize and improve the federal Trade Adjustment Assistance (TAA) program. Trade Adjustment Assistance currently provides job retraining, income support, and health care benefits to manufacturing workers who have lost their jobs due to international trade. The new legislation would reauthorize the program until 2012. It would extend important TAA benefits to Americans working in the services sector if trade negatively affects their jobs and would also help workers who may take lower-paying jobs recoup a portion of lost wages by allowing those as young as 40 to apply for wage insurance. Additional provisions of the legislation would help companies retool trade-affected businesses to avoid laying off workers altogether, and would allow for trade adjustment assistance to an entire U.S. industry if trade affected one sector on a national scale.

“Twelve million Americans have jobs today because the U.S. trades with nations around the world, but we cannot forget that sometimes trade negatively affects U.S. workers and firms. As we move forward on trade initiatives, we must aggressively address Americans’ real concerns about what trade might mean for them. This bill lets workers and business owners know that if trade takes a toll on their livelihoods, their country will help them retool and retrain for new jobs available right here at home – no matter what their professions are now,” said Baucus. **“When a factory relocates to another country, those workers are eligible for TAA. But when a call center moves to another country, those workers are not eligible for the current TAA. Services workers deserve the same chance to retrain for the U.S.-based jobs that will be available in new fields because of trade. This bill provides simple equity, and makes other changes to help TAA protect workers more effectively as part of a comprehensive trade policy.”**

“There is no question that trade has been a net gain for our economic well-being, but we all know there are cases where moms or dads may lose a job to off-shoring,” said Coleman. **“We have a responsibility to help any hard working men and women negatively affected by trade agreements get the training they need for new, better paying jobs, and the income support and access to healthcare they and their families need in the meantime to make ends meet.”**

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The TAA program began in 1962, and was expanded under the Trade Act of 2002 – but that expansion did not make benefits available to the four out of five Americans who work in service jobs – for instance, in company call centers. This bill provides TAA benefits to three categories of service workers affected by trade:

First, it covers workers who lose their jobs due to competition from imported services - for example, an American lab technician who might lose a job because a company located in India can read those x-rays at a lower cost.

Second, it covers workers who lose their jobs when a service facility relocates overseas as, for example, in the case of a call center or software design operation, even if the overseas operation is not located in a country with an FTA partnership with the U.S. Right now, only workers whose jobs are affected by trade with FTA partner countries are eligible. These workers would be eligible if their employer opens an overseas facility, or – as is often the case – if the employer contracts out the jobs to a foreign service provider. This “offshoring” eligibility would apply to both private and public sector service workers whose jobs relocate overseas.

Third, the bill covers secondary service workers. Secondary workers are those who provide inputs to a primary firm where the workers are eligible for TAA. Right now, workers who make parts for manufactured products are covered if they lose their jobs when the primary firm closes. But workers who supply services to a TAA-eligible firm do not. This bill corrects that inequity.

Additional provisions of the Baucus-Coleman bill include:

- New bilingual and entrepreneurial training options
- Creation of a TAA Petition Advisor within the Department of Labor (DOL) to help workers apply for TAA
- More support for state-provided services to individuals seeking TAA
- Suspension of enrollment deadlines for workers appealing denials of their TAA petitions
- Streamlined wage insurance application and lowering of the age limit to 40
- Streamlined eligibility criteria for the TAA for Farmers program
- Adjusted training enrollment deadlines to ease hardships on states and workers
- Flexibility for the TAA training budget, relating it to enrollment and costs rather than an arbitrary cap
- TAA eligibility for all U.S. workers within a domestic industry that is subject to a trade remedy under antidumping, countervailing duty, or safeguard laws
- Authorization for certification of an entire industry for TAA, if the Secretary of Labor receives a congressional resolution or three or more petitions from the industry
- Transfer of the existing TAA for Firms from the Economic Development Administration to a new office at the Commerce Department
- Requirements that employers certify for accuracy any petition-related information they submit to DOL
- Improvements to DOL data collection and public information

The bill is expected to be referred to the Senate Finance Committee, which has jurisdiction over U.S. trade policy. Baucus is the incoming chairman of that panel.

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