

Worker Aid Program Key To Passing Free Trade Deals

Jim Abrams, Associated Press

WASHINGTON (AP) — A half-century-old program that helps workers who lose their jobs to foreign trade holds the key to whether Congress may finally approve three long-delayed free trade agreements viewed by both the Obama White House and congressional Republicans as a way to invigorate the economy and create jobs.

It's a classic Washington trade-off.

Many Democrats don't like the trade agreements with South Korea, Colombia and Panama but are open to votes if Congress extends expired provisions of the Kennedy-era Trade Adjustment Assistance program, or TAA. Republicans are cool to TAA but won't object as long as the trade deals are completed.

President Barack Obama has often extolled the benefits of the three trade accords originally signed during the George W. Bush administration. But he has refrained from submitting them to Congress until he gets assurances that expanded aid continues for workers who lost their jobs because of trade.

The Senate on Monday took up the trade adjustment provisions for affected workers as part of a routine bill giving poorer countries access to U.S. markets. If all goes as planned, the Senate will pass the bill and send it to the House, which would consider it along with the three free trade accords.

"Opening new markets for our farmers, ranchers and businesses will be a major boost to our economy and support hundreds of thousands of jobs here at home, but it has to be done in a way that puts American jobs first," said Senate Finance Committee Chairman Max Baucus, who supports the trade adjustment program.

The program, run by the Labor Department, provides retraining and financial aid to workers who lost or may lose jobs to foreign trade. The Labor Department says the average age of participants is 46, with an average of more than 12 years of experience in a job that may no longer exist. Two-thirds of those eligible for aid are non-union members, according to the agency.

In 2009 the program was expanded under Obama's economic stimulus package to include displaced service and government workers and farmers. More money was provided for retraining and subsidies for participants to keep health insurance. Now the question is whether the expanded eligibility and benefits that expired in February will continue.

Of the more than 400,000 certified as eligible since May 2009, about 185,000 might not have been eligible under the pre-2009 rules, said Rep. Sander Levin of

Worker Aid Program Key To Passing Free Trade Deals

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Michigan, the senior Democrat on the House Ways and Means Committee and a leading program advocate.

"Some people don't believe in retraining and they are wrong," he said, noting that two-thirds of the program's participants in Michigan got jobs. "Without retraining, the chances of re-employment are very substantially more difficult."

Sen. Bob Casey, a Pennsylvania Democrat who chairs the Joint Economic Committee, released a report Tuesday by his office that found workers in manufacturing industries who are more affected by imports are generally less likely to find new jobs, or face bigger pay cuts if they do find work, than workers who face less foreign competition.

Casey's report said 53 percent of those who participated in the trade adjustment program in 2010 found work within the first three months after losing a job. Eighty percent of those who did find jobs in the first three months remained employed six months later.

The program's expansion in 2009 has its critics. Sen. John McCain, R-Ariz., recently said the changes made two years ago transformed the program "into a domestic slush fund for reasons that had nothing at all to do with expanding free trade."

Republicans have balked at renewing those changes, saying they were too expensive, and picked winners and losers. The Labor Department, in its 2012 budget request, sought \$1.67 billion for the program, including \$571 million for the 2009 additions.

With the free trade agreements on the line, Baucus, D-Mont., and House Ways and Means Committee Chairman Dave Camp, R-Mich., worked out a compromise that reduced the 2009 benefits. Income support was reduced from 156 weeks to a maximum of 130 weeks, the same as when the program was reorganized in 2002. The health coverage tax credit was cut from 80 percent to 72.5 percent. The compromise also denies eligibility to public sector workers, eliminates aid for communities and cuts aid for trade-impacted businesses.

Camp's office said it would reduce the added cost to about \$900 million over three years, paid for with cuts in Medicare and unemployment insurance programs.

Source URL (retrieved on 08/21/2014 - 4:38am):

<http://www.impomag.com/news/2011/09/worker-aid-program-key-passing-free-trade-deals>