House Votes To Expand Aid to Displaced Workers

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The House of Representatives approved legislation on Oct. 31, 2007, to expand a federal program that offers financial and training aid to workers who lose their jobs because of global competition.

The proposal (H.R. 3920) would extend the Trade Adjustment Assistance (TAA) program for five years and increase the program's funding by more than $8 billion. Democratic leaders in the House have stated that they would not approve several free-trade agreements sought by the Bush administration without extending the TAA program.

Since taking control of Congress at the beginning of 2007, Democrats have resisted many of the free-trade agreements favored by the president, claiming the trade pacts would reduce the number of U.S. manufacturing jobs. Democratic leaders, however, did compromise with the White House in May 2007, when they said they would approve the trade agreements as long as provisions to safeguard workers' rights and reduce job losses were included.

Democrats claim that H.R. 3920 is an essential part of their promise to protect U.S. workers' rights, while opponents say the bill goes too far and would cost U.S. taxpayers billions in unnecessary spending. The legislation would expand coverage to workers in the service sector and to those who lose their jobs because of "globalization." Currently, workers become eligible for TAA benefits when they lose their jobs because of direct competition from manufacturers in countries that have a free-trade agreement with the United States.

"The American people are right to be concerned about the impacts of international trade agreements, particularly in light of the lack of safeguards available to workers affected by trade," said Rep. George Miller, D-Calif., chairman of the House Education and Labor Committee. "We must provide substantial assistance to workers who are negatively affected by trade."

Democrats were able to attach provisions to H.R. 3920 that would expand worker protections under the Worker Adjustment and Retraining Notification Act of 1988 (WARN). The measure would require employers to issue a notice of a mass layoff or plant closure 90 days in advance, up from 60 days under the current law. It would require employers to provide workers with information about benefits and services available to help them following a layoff, such as job training and unemployment insurance.

The legislation would extend the time that workers can continue their health coverage with their former employer, as required by COBRA. Workers who lose their jobs because of global trade, and who either have worked with the same employer for more than 10 years or are age 55 or older, would be eligible for COBRA coverage for 30 months—an increase of 12 months from the current requirements.

White House officials stated that the president would veto H.R. 3920 if Congress expanded the TAA program and attached the WARN and COBRA extensions. The legislation as passed by the House “converts TAA from a trade-related program to a universal income-support and training program,” the White House explained in a written statement. The president “strongly supports” reauthorization of the TAA program; however, he will not support or sign H.R. 3920 into law, according to the White House statement.

Sources say the Senate could vote on its version of the TAA reauthorization bill (S. 1848) before Congress adjourns in November. However, political observers say the bill could now face stiffer opposition from GOP leaders following the president’s veto threat. The Senate version features expansions of the TAA program similar to H.R. 3920 but does not include the COBRA- and WARN-related provisions.

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