

House Dems expand workers' aid bill to mitigate fallout from looming free-trade vote

By Ian Swanson
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House Democrats are expanding a workers' assistance bill set for a floor vote Wednesday to offset criticism of their plan to vote next week on a controversial free trade agreement with Peru.

House Speaker Nancy Pelosi (D-Calif.) had already offered a concession to trade critics in her own party by agreeing to move a bill expanding trade adjustment assistance (TAA) in conjunction with a vote on the Peru trade deal, which has deeply divided her caucus.

Pelosi and other Democratic leaders now plan to link the TAA bill with another measure tightening rules on firms that lay off workers, according to business sources. That bill, the "Early Warning and Health Care for Workers Affected by Globalization Act," will be merged with the TAA bill into one package for a floor vote on Wednesday.

The TAA bill, however, faces an uncertain future. On Tuesday, the Office of Management and Budget issued a veto threat if the bill reaches the president's desk in its current form.

The combined measure could make it easier for Democrats to argue they are taking numerous steps to help workers, particularly in the battered manufacturing sector, which has lost 3 million jobs since 2001. However, the new bill is drawing opposition from business groups, particularly the National Association of Manufacturers (NAM).

The "Early Warning" bill is sponsored by Rep. George Miller (D-Calif.), a close Pelosi ally who chairs the House Education and Labor Committee. Under Miller, that committee has taken a more aggressive role in overseeing trade policy and how trade affects U.S. workers.

Miller endorsed the concept of merging the two bills in an interview on Tuesday. "It's all integrated. We're making the package comprehensive for families that are impacted."

Separately, a leadership aide cast the bill as signaling to workers that Democrats are committed to protecting their interests.

It was introduced on Oct. 10 and passed the committee by a mostly partisan 26-18 vote on Oct. 18. But an amended version with some important changes, backed by business groups, was reported back to the panel last week.

The legislation would expand the 1988 Worker Adjustment and Retraining Notification

Act (WARN) so that companies would have to give longer notice before cutting jobs. Firms would also have to give notice for smaller reductions in their workforces.

For example, under current law, a company has to give 60 days' advance notice if it decides to cut 50 jobs during any 30-day period. Under Miller's bill, companies would have to give 90 days' advance notice if they decide to cut as few as 25 jobs.

Miller's bill also doubles penalties on firms that don't provide that advance notice and instructs the secretary of Labor to notify elected officials every time such a job loss occurs.

NAM and other business groups argue this would hurt small and large businesses that make seasonal adjustments to their workforces. Examples include tax firms that hire additional employees to deal with tax season, a business lobbyist said.

"The lower thresholds would unintentionally include smaller, family-owned businesses as well as the seasonal job adjustments made by larger, multi-state employers," wrote Jeri Gillespie of NAM in a letter last week to Miller, Rep. Buck McKeon (R-Calif.), who opposed the bill in committee, and other members.

Business lobbyists have also criticized Democrats for speeding the bill along and not scheduling any hearings on it yet.

Trade has been a divisive topic within the Democratic Caucus all year, and has sparked several fiery exchanges during closed caucus meetings. The Peru agreement is considered less controversial than similar deals with Colombia and South Korea, but it remains unclear whether even half the Democratic Caucus will vote for it.

The House Ways and Means Committee is expected to mark up legislation implementing the deal on Wednesday. At an informal markup last month, when members could signal whether they wanted to change that legislation, the deal received unanimous support from the committee.