

House backs funds for aid to workers

The \$8.6 billion would provide training and other services after layoffs linked to trade. Bush may veto the plan.

By Richard Simon
Los Angeles Times
November 1, 2007

WASHINGTON -- Ignoring a veto threat and stoking a fight over trade, the House on Wednesday approved an \$8.6-billion expansion of a federal program that assists workers who lose their jobs because of foreign competition.

The vote comes as the White House works to steer four trade deals through a less-friendly Democratic-controlled Congress amid U.S. job losses and other effects of globalization.

The bill would expand the Trade Adjustment Assistance Program, increasing federal funding for training displaced workers and extending eligibility to workers in service industries. The Senate is working on its own version of the legislation.

The largely party-line House vote was 264 to 157, short of the two-thirds majority needed to override a veto.

"Free and fair trade can only thrive if we help those that are facing the downside of a global economy," House Speaker Nancy Pelosi (D-San Francisco) told her colleagues.

The White House objected that the bill would expand the program to workers "not demonstrably affected by trade."

Labor Secretary Elaine Chao said in a statement that the bill "builds a bigger bureaucracy that will make it harder for unemployed workers to access relevant training and reconnect with the job market."

Rep. Jim McCrery of Louisiana, the top Republican on the House Ways and Means Committee, echoed a number of GOP lawmakers who spoke against the bill, declaring that it "goes way too far in expanding this program needlessly."

Still, free trade advocates acknowledged that expanding trade adjustment assistance is critical to securing congressional votes to approve new trade agreements.

Bill Reinsch, president of the National Foreign Trade Council, said the measure would "ease the anxieties of the growing number of Americans who worry about their future and pave the way for House action on the four pending free trade agreements."

AFL-CIO President John J. Sweeney warned the White House to accept the expanded aid program, saying a veto would "jeopardize the president's trade agenda at a time when support for trade liberalization remains precarious."

Even as the House acted, its Ways and Means Committee unanimously approved a trade agreement with Peru sought by the president. Committee Democrats supported the pact because it required Peru to adhere to international labor and environmental standards.

But one prominent labor leader, Teamsters President James P. Hoffa, denounced the vote. "I'm astounded that members of Congress would even consider passing more of these free trade agreements that workers hate," he said in a statement.

The Peru agreement is expected to be approved this year. The White House also hopes to win approval for trade agreements with Panama, Colombia and South Korea.

Bush made a pitch for the trade pacts Wednesday in a speech to the Grocery Manufacturers Assn./Food Products Assn., telling the group, "I'm going to need your help convincing members of Congress that . . . it's in our national interest to make sure we have free and fair trade."

The measure approved Wednesday would expand eligibility for benefits beyond those in the manufacturing sector to include service workers, such as call center employees and software engineers who lose their jobs because of trade.

It would boost funding for training, increase a healthcare tax credit for laid-off workers and extend the time period in which workers can continue health coverage with their former employer at their own expense at group rates. It also would offer tax incentives for business investment in communities hard hit by job losses and require companies to give workers 90 days' notice of plant closings or mass layoffs, instead of the current 60.

It also would reauthorize the program, due to expire at year's end, through 2012.

Rep. Charles B. Rangel (D-N.Y.), chairman of the Ways and Means Committee, which drafted the bill, offset a large part of the cost of the expansion by delaying for three years a tax break for multinational corporations that was included in the 2004 corporate tax overhaul.

McCrery complained that the delay would make U.S. companies less competitive.

Thirty-eight Republicans joined 226 Democrats to support the measure. Only two Democrats joined 155 Republicans to vote against the measure.