

# Federal study puts outsourcing under scrutiny

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Industry and government are increasingly sending technology and related service work to foreign companies, but it's still unclear how much it's affecting U.S. employment, according to a General Accountability Office (GAO) study released yesterday.

Seattle-area lawmakers requested the study on behalf of tech and aerospace unions concerned about overseas outsourcing's effect on jobs.

It's one of the first comprehensive government studies of the volatile and complicated issue, and it says further research is needed to assess how outsourcing is affecting the economy.

"The data provide some clues but they're not definitive about the extent of offshoring," said Loren Yager, GAO director of international affairs and trade. "This is something very new. It's captured in some ways, but there is no perfect measure out there."

Yesterday's study is mostly a compilation of existing data on the subject, and serves as a baseline for additional reports to be done starting next year.

Upcoming studies will further explore the jobs issue. They'll likely focus on federal procurement policies and risks associated with acquiring information technology from abroad, and compare the manufacturing and service industries, Yager said.

The study was requested by U.S. Reps. Jay Inslee, D-Bainbridge Island, and Adam Smith, D-Tacoma, along with several other House Democrats.

Inslee characterized the report as incomplete and said "the meat to chew on" will come in the subsequent reports. But he said there's enough data to press ahead with legislation for job retraining to service workers, under a program to help workers affected by trade issues.

"We live in a trade-dependent economy in the state of Washington," he said, "but that cannot wash away the fact that there are those that have some real economic challenges because of trade as well."

Labor groups praised the report as a first step that acknowledged the severity of the jobs issue.

"We hoped it would be a little more substantial, the first one out of the gate. The way it's getting handled is clearly showing the intensity of this issue back in the halls of Congress," said Marcus Courtney, president of the Washington Alliance of Technology Workers.

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