

BAUCUS AND COLEMAN INTRODUCE TRADE ADJUSTMENT ASSISTANCE FOR SERVICE WORKERS

54 Senators Voted for Senators' TAA for Services Last Congress

June 24th, 2005 - Washington, D.C. - Montana Senator Max Baucus (D-MT), Ranking Democrat on the Senate Finance Committee, and Minnesota Senator Norm Coleman (R-MN) today introduced the "Trade Adjustment Assistance Equity for Workers Act of 2005" to provide service sector workers certain benefits, including training, income support, health insurance, and tax credits if they are injured by trade, as well as help to small and medium sized U.S. businesses to become more competitive in order to retain and expand employment. Under current law, Trade Adjustment Assistance benefits are only available to workers who produce goods, but not services.

Senators Coleman, Baucus, and Ron Wyden (D-OR) offered similar legislation last Congress that received 54 votes in the Senate but failed due to a 60 vote procedural hurdle.

"We only give TAA benefits to workers who make things. That means that the 80 percent or more of American workers in the service sector cannot access this program," said Baucus. "The legislation that I am introducing today is a simple matter of equity. When a factory relocates to another country, those workers are eligible for TAA. When a call center moves to another country, those workers are not eligible for TAA. But they should be. And under this legislation they will."

Excluding service workers from TAA made some sense when the program was created in 1962. Back then most non-farm American jobs were in manufacturing and most services were not trades across national borders. Today, the service sector accounts for over 80 percent of total U.S. employment, and cross-border services account for over 20 percent of the total value of U.S. trade. While trade in services is a net plus for the U.S. economy and generates a trade surplus, some service workers have seen their jobs move overseas including recent examples reported in the press such as call center, software development, technical support, accounting, and telemedicine services workers.

"The service sector of our economy is a great success story in how trade can create economic growth and jobs in America, with the service industry showing a trade surplus of some \$74 billion in 2001," said Coleman. "But, we have a moral responsibility to make sure that any hard working men and women who might be negatively affected by a trade agreement are not denied a good paying job and that is what this bill is all about. It is bipartisan, Minnesota common sense legislation."

The bill covers three categories of trade-impacted service workers: (1) service workers who lose their jobs when their employer closes or lays off workers due to competition from imported services; (2) service workers who lose their jobs when their facility moves overseas; and (3) secondary service workers – those who provide services to a primary

firm where workers are eligible for TAA – if the primary closure causes the layoff or closure as the secondary firm. The bill also extends the TAA for Firms program to service firms. This program helps small and medium-sized businesses become more competitive so they can retrain and expand employment.

Contact(s):

Leroy Coleman, (202) 224-5641