



Highlights of [GAO-07-994T](#), a testimony before the Committee on Ways and Means, House of Representatives

## Why GAO Did This Study

Manufacturing workers face an uncertain future as manufacturing employment declines—more than 3 million manufacturing jobs have been lost in this country since 2000, many due to international trade. Furthermore, finding a new job may be harder for these workers because they tend to be older with have fewer transferable skills than other laid-off workers. The Trade Adjustment Assistance (TAA) program was established in 1962 to assist manufacturing workers who lose their jobs because of international trade. In 2002, the Congress made a number of key changes designed to expand benefits and decrease the time it takes to get workers into services. This testimony draws upon several GAO reports, including our most recently issued TAA report and our case study of five layoffs, and provides an overview of (1) how the TAA program operates, (2) recent trends in the Department of Labor's (Labor) certification of petitions, (3) the extent to which workers participate in training, (4) the extent to which workers take advantage of other TAA benefits, and (5) what is known about TAA program outcomes.

We are not making new recommendations at this time. Labor generally agreed with the findings and recommendations in our referenced reports.

[www.gao.gov/cgi-bin/getrpt?GAO-07-994T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-994T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

## TRADE ADJUSTMENT ASSISTANCE

### Program Provides an Array of Benefits and Services to Trade-Affected Workers

#### What GAO Found

The process for enrolling trade-affected workers in the TAA program begins when a petition for TAA assistance is filed with Labor on behalf of a group of workers. Labor has generally processed these petitions in a timely manner, taking on average 32 days during the past 3 fiscal years. Once enrolled, trade-affected workers can access a variety of TAA benefits and services, including income support, job training, and health coverage. Workers typically access these services through one-stop centers where they also receive case management services, such as counseling and vocational assessments.

During the past 3 fiscal years, the number of petitions certified and the number of petitions filed have declined. The proportion of petitions certified has remained relatively stable, as Labor certified about two-thirds of petitions investigated in each of these years. These petitions covered an estimated 400,000 workers. Petitions were most commonly denied because workers were not involved in the production of articles, a basic requirement of the TAA program.

Nationally, the decline in the number of workers entering training from fiscal years 2004 to 2006 parallels a decline in the estimated number of trade-affected workers. However, there are wide state-to-state variations in this trend. Sixteen states reported a decrease in training enrollment during the past 3 fiscal years, while 20 states reported an increase.

We also found that few TAA participants take advantage of the wage insurance and health coverage benefits. Although the number of new workers receiving the wage insurance benefit has increased from 1,400 in 2004, to about 3,200 in 2006, the number remains small—two-thirds of the states estimate that 5 percent or less of their TAA participants received wage insurance in fiscal year 2006. Participation in the health coverage benefit is also low. Approximately 6,900 workers enrolled for the first time in the advance health coverage benefit in fiscal year 2006.

Finally, we found that the nationwide TAA performance data that are currently available do not provide a complete and credible picture of the program's performance. However, at our five case study sites, we found that most of the workers who lost their jobs because of foreign trade had either found a job or retired at the time of our survey. The majority of reemployed workers earned less in their new jobs than they had previously earned, but generally replaced about 80 percent or more of their pre-layoff wages.