



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Report on Trade Adjustment Assistance
Da: Wednesday, Feb. 15, 2006

Today the Government Accountability Office reported the results of a study of five trade-related plant closures with respect to the operation of the trade adjustment assistance program for trade-impacted workers. Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over international trade, and a requestor of the report, made the following comment:

“I welcome this report. It provides important insights into how the trade adjustment assistance program is being utilized. And the news is mostly good. About three-quarters or more of eligible workers sought assistance, while about a third or less received training and income support. At three of the five sites, between 60 percent and 70 percent of workers were re-employed at the time GAO conducted its survey. At the other two sites just less than 40 percent of workers were re-employed, but those sites saw a higher participation rate in training and a higher retirement rate. Re-employed workers replaced 80 percent or more of their prior wages.

“Of course, it’s impossible to extrapolate with certainty from the specifics of these five cases, but the report does indicate that trade-impacted workers are availing themselves of the benefits that suit their particular circumstances. This report also demonstrates the dangers of drawing conclusions from isolated statistics. While only a small percentage of eligible workers received the health insurance benefit, many workers did not avail themselves of the benefit because they had other coverage or because the cost of available coverage was too high. Unfortunately, the data collected for the report do not isolate the number of workers who didn’t need the health insurance benefit versus those workers who could not afford the available coverage.

“GAO did find room for improvement to ensure that potentially eligible workers are made aware of the health insurance benefit and the wage insurance benefit for older workers. That’s a state function in the first instance, and the Department of Labor is taking steps to see that such information is better disseminated. I think administrators at the Department of Labor are to be commended for their commitment to improving the trade adjustment assistance program. Going forward, I’ll continue my oversight of this program as we head toward re-authorization next year.”

The report, “Trade Adjustment Assistance: Most Workers in Five Layoffs Received Services, but Better Outreach Needed on New Benefits,” GAO-06-43, is available at <http://www.gao.gov>.