

**Statement of the Honorable George Miller
Chairman, Committee on Education and Labor
Opening Statement on H.R. 3796,
The Early Warning and Health Care for Workers
Affected by Globalization Act**

October 18, 2007

This morning we will mark-up H.R. 3796, the *Early Warning and Health Care for Workers Affected by Globalization Act*.

A September *Wall Street Journal* survey found that 59 percent of Americans believe that international trade is bad for the U.S. economy. Americans are concerned about job losses here at home and a decline in demand for U.S.-made goods.

Dave Bevard, who testified before this Committee in March, worked for 32 years at a Maytag plant in Illinois until 2002, when he was given a pink slip and told that his plant was moving to Mexico.

In his testimony, Mr. Bevard gave voice to the concerns that Americans have about international trade.

“Until you have experienced it, you cannot truly appreciate the emotional devastation of knowing that the world as you know it is gone,” he said.

We have an obligation in this Congress to do everything we can to help workers like Mr. Bevard.

The United States faces two challenges when it comes to international trade. First, we must not sign trade agreements that lack strong labor and environmental protections.

Second, we must recognize that trade can produce both positive and negative consequences. We must provide substantial assistance to workers who are negatively affected by trade.

That second point is the reason for today's markup. Our intention is that H.R. 3796 will become part of the broader Trade Adjustment Assistance Reauthorization legislation which will likely be on the House floor within the next month.

By building on and improving the Worker Adjustment and Retraining Notification Act of 1988, the legislation before us today will help to reduce the devastating impact of plant closures and mass layoffs on workers, their families and their communities.

H.R. 3796 provides workers with advance notice of a coming job loss and with an additional option for health care coverage when that job loss is the result of trade.

Early warning of impending job losses won't prevent workers from losing their jobs, but it can help them prepare to find a new job or seek additional skills for new employment.

Over the last 18 years, the WARN Act has provided help to some workers facing a plant closing or a mass layoff. But the law has a number of weaknesses.

The Government Accountability Office has reported that the WARN Act's provisions are confusing and often misinterpreted. This confusion has enabled employers to avoid providing advanced notices to employees soon to be affected by a plant closing or mass layoff.

Furthermore, inadequate sanctions for employers that violate the law, coupled with a lack of Labor Department enforcement authority, have limited the law's effectiveness.

H.R. 3796 addresses the central problems with the WARN Act by simplifying when and to whom a notice is required.

The bill requires a layoff or plant closing notification if 25 or more employees, including part-time employees, at a single jobsite are laid off in a 30-day period. It eliminates a loophole that has allowed employers to avoid giving notices by shifting employees around jobsites.

The bill increases notice to employees of a plant closing or mass layoff from 60 to 90 days. It increases penalties from up to 60 days' worth of back pay to up to 90 days' worth of double back pay.

For the first time, the bill gives the U.S. Labor Department the authority to investigate complaints and bring enforcement suits when employers fail to comply with the law.

The bill requires that employers provide workers with comprehensive information about benefits and services available to help them manage during their period of unemployment, including job training and unemployment insurance.

Finally, H.R. 3796 would provide an important additional healthcare option to workers who lose their jobs because of trade.

For workers aged 55 or older or workers with 10 or more years of service with their employer, the legislation would allow them to continue to purchase a group healthcare plan until they are enrolled in another health plan, whether it is a private one or Medicare.

This coverage, known as COBRA coverage, is available to workers today, but only for a period of up to 18 months. That arbitrary time limit fails to recognize the difficult realities facing many workers, and particularly older workers, when they lose their jobs through no fault of their own.

This continuing coverage provides older and tenured workers displaced by trade with the assurance that they will have access to adequate health coverage until they find a new job or become eligible for Medicare. In 2004, there were approximately 2.7 million workers enrolled in such continuing health coverage.

Today I will be offering an amendment in the nature of a substitute which will make several changes to H.R. 3796. First, the substitute drops the separate notice requirement for layoffs at multiple work sites. Second, it adds “counseling and early access to training” to the list of possible available services about which the Secretary of Labor shall provide information to employers. Third, it makes clear that employers may not ask workers to waive their statutory notice rights. Fourth, it clarifies what is to be included in the definition of “back pay”. Fifth, it authorizes the Secretary of Labor to use up to one-third of the revenues from fees on H1-B visas to provide financial assistance to needy workers electing COBRA coverage to help pay their monthly premiums.

The American people are right to be concerned about the impacts of international trade agreements, particularly in light of the lack of safeguards available to workers affected by trade.

H.R. 3796 will provide workers, their families, and their communities with much-needed support to prepare for and manage a job loss due to trade.

This is a critical step towards making trade fairer and towards strengthening America’s middle class. I urge all of my colleagues to vote in favor of H.R. 3796.