



Legislative Bulletin October 12, 2011

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Senate Amendments to H.R. 2832 - To extend the Generalized System of Preferences, and for other purposes / Trade Adjustment Assistance Extension Act of 2011 (Camp, R-MI)

Order of Business: The bill is scheduled to be considered on Wednesday, October 12, 2011 under a closed rule, [H.Res. 418](#), that waives all points of order against consideration of the bill, and provides for one hour of debate. This rule was reported by the Rules Committee by voice vote on October 3, 2011.

Summary: H.R. 2832 originally passed the House on September 7, 2011, by voice vote. The Senate amended the legislation to include amendments to Trade Adjustment Assistance (TAA) programs. On September 22, 2011, the Senate approved H.R. 2832, as amended, by a [roll call vote of 70-27](#).

TAA for Workers: This legislation extends the authorization through December 31, 2013. The authorization for this program is currently set to expire February 12, 2012. Service sector employees are still eligible to qualify for Trade Adjustment Assistance for Workers, however program benefits are scaled back across the board. Public sector workers are no longer eligible for TAA benefits. This legislation provides for a maximum of 117 weeks of benefits, with an additional 13 weeks available if the enrolled individuals can complete their training program within that additional 13 weeks. It is important to remember that workers' time on unemployment compensation offsets their eligibility for TAAW benefits. For example, if an unemployed individual receives the maximum of 99 weeks of unemployment compensation, they would only be eligible for a maximum of 31 weeks of TAAW benefits (130 - 99 = 31). The legislation adds enhanced performance and accountability measures to the program. More background on this specific program is below.

TAA for Communities: This legislation continues the community college grant program under Trade Adjustment Assistance for Communities (TAAC). This legislation eliminates the TAAC program and the industry/sector partnership grant program upon enactment. The legislation also establishes additional performance metrics for the community college grant program. More background on this specific program is below.

TAA for Firms: This legislation extends TAA for Firms through December 31, 2014, at discretionary funding levels of \$16 million per year. This program is currently set to expire February 12, 2012. This legislation also adds performance metrics to the program. More background on this specific program is below.

TAA for Farmers: This legislation extends TAA for Farmers through December 31, 2014, and *changes it from a mandatory program to discretionary*. The authorization for this program has currently expired and the program is currently not accepting new applications. This legislation also adds performance metrics to the program. More background on this specific program is below.

Health Care Tax Credit: The legislation raises the Health Care Tax Credit from its current rate of 65% to 72.5%, and eliminates it after December 31, 2013. More background on the HCTC is below.

Merchandise Processing Fee: This legislation increases the Merchandise Processing Fee from 0.21% to 0.3464% of the value of certain imports. The Merchandise Processing Fee is a fee paid by importers who import products from countries with whom the United States does not have a trade agreement, and this fee is collected by U.S. Customs and Border Protection. More background on this fee is below.

Generalized System of Preferences: H.R. 2832 retroactively reinstates the Generalized System of Preferences (which expired on December 30, 2010) through July 31, 2013. The GSP program allows for certain goods to be imported to the U.S. duty free. The GSP program will be reinstated 15 days after enactment. This was included in the House passed version of H.R. 2832.

KEY SECTION BY SECTION BREAKDOWN:

Section 211. The legislation removes the eligibility of public employees to receive TAAW. The “stimulus” had previously made groups of public employees eligible to be certified by the Secretary Labor to receive TAAW.

Section 212. This section eliminates some of the justifications for waivers from TAAW’s program’s training requirements, amounting to 80% of the waivers granted in the past. This will ultimately reduce the number of program beneficiaries, and according to House Ways and Means staff, and would reduce spending compared to CBO’s baseline..

Section 213. This legislation reduces the number of weeks that payments for trade readjustment allowances can be made from 78 to 65 weeks.

Section 214. This section authorizes up to \$575,000,000 for TAAW payments to be made for FY 2012 and 2013. It also authorizes \$143,750,000 for October 1, 2013 through December 31, 2013.

This section also reduces the maximum reimbursement for job searching expenses, and for relocation allowances, from \$1,500 to \$1,250.

Additional information on Section 214, from the House Ways and Means staff:

“Limitations on Administrative Expenses and Employment and Case Management Services: This section changes current law to require the States to pay for administrative expenses and employment and case management services expenses out of, not in addition to, the funds made available under the training cap. Within that cap, States are to allocate at least 10 percent of the training cap funds for administration of the TAA program, including for processing training waivers; collecting, validating, and reporting data required under the program; and providing TRA to workers. This section also provides that States shall use no less than 5 percent of the funds for training for employment and case management services.”

“Job Search Allowances: This section brings job search allowances, if offered, under the cap on training funds. Under this section, when the Secretary of Labor determines that local employment is not available, an adversely affected worker certified as eligible for TAA benefits may receive reimbursement for the cost of necessary job search expenses. This section reduces this allowance to 90 percent of such expenses up to \$1250 and removes the individual entitlement to this benefit, instead granting States the discretion whether to offer this allowance, based on availability of funds.”

“Relocation Allowances: This section brings relocation allowances, if offered, under the cap on training funds. Under this section, these funds may be available when the Secretary of Labor determines that local employment is not available. This section reduces this allowance to 90 percent of the reasonable and necessary expenses incurred in transporting a worker and his family, if any, and household effects, and a lump sum equivalent to three times the worker's average weekly wage, up to a maximum payment of \$1250. As in the case of job search allowances, this section removes the individual entitlement to this benefit, instead granting States the discretion whether to offer this allowance, based on availability of funds.”

Section 215. This section reduces eligibility for Reemployment Trade Adjustment Assistance (discussed further below) to workers earning not more than \$50,000, as opposed to \$55,000. It also reduces the maximum allowable payments to RTAA beneficiaries from \$12,000 to \$10,000. This section extends RTAA benefits until December 31, 2013.

Section 216. This section adds enhanced performance measure reporting requirements to TAA. These metrics are to take effect on October 1, 2011. This section also amends reporting requirement to include data collection and report on additional criteria. It also pushes back the annual deadline by which the Secretary of Labor must submit a report to Congress, from December 15th to February 15th.

Section 217. This section extends authorization for appropriations for Trade Adjustment Assistance for Workers (discussed below) until December 31, 2013. Under current law,

Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) authorizes for appropriation “such sums as may be necessary to carry out” this program.

Section 221: This section requires the Secretary of Commerce to submit an annual report, beginning no later than December 15, 2012 on Trade Adjustment for Firms (discussed further below). This report will be submitted to the Senate Committee on Finance, and the House Committee on Ways and Means. The report is to include data on the following:

- “The number of firms that inquired about the program;
- “The number of petitions filed under section 251;
- “The number of petitions certified and denied by the Secretary;
- “The average time for processing petitions after the petitions are filed;
- “The number of petitions filed and firms certified for each congressional district of the United States;
- “Of the number of petitions filed, the number of firms that entered the program and received benefits;
- “The number of firms that received assistance in preparing their petitions;
- “The number of firms that received assistance developing business recovery plans;
- “The number of business recovery plans approved and denied by the Secretary;
- “The average duration of benefits received under the program nationally and in each region served by an intermediary organization referred to in section 253(b)(1);
- “Sales, employment, and productivity at each firm participating in the program at the time of certification;
- “Sales, employment, and productivity at each firm upon completion of the program and each year for the 2-year period following completion of the program;
- “The number of firms in operation as of the date of the report and the number of firms that ceased operations after completing the program and in each year during the 2-year period following completion of the program;
- “The financial assistance received by each firm participating in the program;
- “The financial contribution made by each firm participating in the program;
- “The types of technical assistance included in the business recovery plans of firms participating in the program;
- “The number of firms leaving the program before completing the project or projects in their business recovery plans and the reason the project or projects were not completed;
- “The total amount expended by all intermediary organizations referred to in section 253(b)(1) and by each such organization to administer the program; and
- “The total amount expended by intermediary organizations to provide technical assistance to firms under the program nationally and in each region served by such an organization.”

This section also authorizes for appropriation \$16,000,000 for each fiscal year 2012 and 2013, and \$4,000,000 from October 1, 2013 through December 31, 2013, which is a reduction from the “stimulus” program.

Section 222: Trade Adjustment Assistance for Communities:

This section adds reporting criteria to the existing reporting requirements for TAAC, and these amendments would take effect on October 1, 2011. It also eliminates the TAAC program and industry/sector partnership grant programs upon enactment. The community college grant program continues through the end of fiscal year 2014.

Section 223: Trade Adjustment Assistance for Farmers:

This section amends the current metric and reporting requirements that the Secretary of Agriculture must adhere to with respect to Trade Adjustment Assistance for Farmers. This report must be submitted annually, by January 30, to the Senate Committee on Finance and the House Committee on Ways and Means and must include data on the following, during the preceding fiscal year:

- “A list of the agricultural commodities covered by a certification under this chapter;
- “The States or regions in which agricultural commodities are produced and the aggregate amount of such commodities produced in each such State or region;
- “The number of petitions filed;
- “The number of petitions certified and denied by the Secretary;
- “The average time for processing petitions;
- “The number of petitions filed and agricultural commodity producers approved for each congressional district of the United States;
- “Of the number of producers approved, the number of agricultural commodity producers that entered the program and received benefits;
- “The number of agricultural commodity producers that completed initial technical assistance;
- “The number of agricultural commodity producers that completed intensive technical assistance;
- “The number of initial business plans approved and denied by the Secretary;
- “The number of long-term business plans approved and denied by the Secretary;
- “The total number of agricultural commodity producers, by congressional district, receiving initial technical assistance and intensive technical assistance, respectively, under this chapter;
- “The types of initial technical assistance received by agricultural commodity producers participating in the program;
- “The types of intensive technical assistance received by agricultural commodity producers participating in the program;
- “The number of agricultural commodity producers leaving the program before completing the projects in their long-term business plans and the reason those projects were not completed;
- “The total number of agricultural commodity producers, by congressional district, receiving benefits under this chapter;

- “The average duration of benefits received under this chapter:
- “The number of agricultural commodity producers in operation as of the date of the report and the number of agricultural commodity producers that ceased operations after completing the program and in the 1-year period following completion of the program; and
- “The number of agricultural commodity producers that report that such producers received benefits under a prior certification issued under this chapter in any of the 10 fiscal years preceding the date of the report.”

This section changes TAA for Farmers from an authorized and appropriated program to one that is discretionary and also authorizes for appropriation up to \$90,000,000 for each fiscal year 2012 and 2013, and \$22,500,000 for the time period between October 1, 2013 and December 31, 2013. Authorizations for the program would expire December 31, 2013.

Section 231: This section establishes the process and standards by which petitions filed by workers and firms since February 12, 2011 will be reviewed.

Section 232: This section extends Trade Adjustment Assistance for Workers until December 31, 2013.

Section 233: This section ends the entire TAA program after December 31, 2014. According to House Ways and Means staff, the legislation required an explicit extension of current law provisions that extended beyond the December 2013 date. After December 2013, the program reverts back to its current status, with specific cuts below the baseline. Otherwise, under its scoring conventions, the Congressional Budget Office would have embedded the entire TAA program into its budget baseline. This section ensures that these provisions are not included in the baseline.

Section 241: Health Care Tax Credit: This section increases the HCTC from 65% to 72.5%. The Democrats’ “stimulus” had increased the HCTC to 80%, however the credit has since reverted back to its pre-stimulus level. After 2013, the HCTC program is eliminated. This results in the elimination of the HCTC program entirely from the CBO budget baseline.

Section 242: This section provides that the 63-day window in which TAA-eligible workers may purchase qualifying health insurance without being subjected to medical underwriting will not begin until seven days after the Secretary has issued their certificate of eligibility for the HCTC.

Section 243: This section extends COBRA benefits for certain TAA beneficiaries until January 1, 2014.

Section 251: Mandatory Penalty Assessment on Fraud Claims.
This section establishes a penalty for fraudulent unemployment claims. The penalty is to be no less than 15% of the amount of the erroneous payment made by the state’s

unemployment fund. This penalty takes effect two years after the date of enactment. This legislation gives states the option to amend their state law to apply this penalty to fraudulent payments made before the end of the two year window.

Section 252: This section places a prohibition on noncharging due to employer fault. State laws will be treated as acceptable only if they provide that an employer's account shall not be relieved of charges relating to a payment from the State unemployment fund if the State agency determines that--

- “The payment was made because the employer, or an agent of the employer, was at fault for failing to respond timely or adequately to the request of the agency for information relating to the claim for compensation; and
- “The employer or agent has established a pattern of failing to respond timely or adequately to such requests.”

This could force states to enact laws that prohibit relief from charges to employer unemployment insurance accounts, if the state does not already have an existing law that complies.

This section takes effect two years after the date of enactment. This legislation gives states the option to amend their state law to apply this penalty to fraudulent payments made before the end of the two year window.

Section 253: For purposes of reporting rehired employees to the National Director of New Hires (the current resource for human services programs on whether an individual is working), this section defines “newly hired employee” as an employee who is new to the employer, or who previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days.

Section 261: H.R. 2832 amends the QIO program in accord with previous IOM and Medicare Payment Advisory Commission (MedPAC) recommendations including harmonizing QIO contracts with requirements of the Federal Acquisition Regulation, allowing for the expansion of the geographic scope of QIO contracts, allowing additional health care quality groups to bid on the contracts, eliminating conflict of interests, and lengthening QIO contract periods. CBO estimates that those provisions would reduce spending by \$330 million over the 2012-2021 period as a result of increased competition among providers and increased efficiency.

Quality Improvement Organizations (QIOs) are private, historically physician-directed groups that receive Medicare funds to examine beneficiary complaints and appeals, promote health care quality, ensure proper Medicare billing, and review claims to determine if care met local, peer-reviewed quality standards. In recent contract periods, 41 groups held 53 QIO contracts covering the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. A majority of the groups that win these contracts are typically non-profit groups. In the past, Congress has requested the Centers for Medicare and Medicaid Services (CMS) to sponsor reports from the Institutes of Medicine (IOM) analyzing the performance of the Medicare QIO program.

Section 262: This section increases the Merchandise Processing Fee from 0.21% to 0.3464% of the value of certain imports. The Merchandise Processing Fee is a fee paid by importers who import products from countries with whom the United States does not have a trade agreement. This fee is collected by U.S. Customs and Border Patrol (CBP). According to Ways and Means staff, the purpose of this fee is to offset the costs incurred by CBP for the inspection and processing of these imports. The last increase in this fee came in 1994. More information on GSP can be found in the [RSC Legislative Bulletin](#) for H.R. 2832 that was distributed on September 7, 2011. For additional information on GSP, see this [CRS report](#).

Additional Information on Trade Adjustment Assistance: More information about the individual TAA programs is below. These programs provide additional unemployment benefits and training assistance to workers who lose their jobs as a result of foreign competition. These TAA programs were either created or expanded under the Democrats' "stimulus." However the stimulus amendments to TAA expired on February 12, 2011, and the programs currently operate at their pre-stimulus levels (with the exception of TAAC, discussed below). Under current law, there are four types of TAA available, and they are managed through various federal agencies. The various Trade Adjustment Assistance programs include: Trade Adjustment Assistance for Firms (Department of Commerce), Trade Adjustment Assistance for Farmers (Department of Agriculture), Trade Adjustment Assistance for Workers (Department of Labor), and Trade Adjustment Assistance for Communities (Department of Labor & Commerce).

Trade Adjustment Assistance for Firms (TAAF): The TAAF program provides technical assistance to trade-affected firms for the purpose of helping them develop strategies and make adjustments so that they will remain competitive in the changing marketplace. The program was expanded under the Democrat "stimulus," and now covers service industry firms. Additionally, the stimulus raised the annual authorization from \$16 million to \$50 million. There are 11 Trade Adjustment Assistance Centers, which will apply for EDA grants to operate. No funds go directly to firms, but instead to the Centers. Centers are staffed by consultants who provide or contract for technical assistance to assist firms. In 2009, this program assisted 172 firms at an average amount of \$60,123 per firm. For more information about the TAAF, see [this CRS report](#).

Trade Adjustment Assistance for Farmers (TAAF): The TAAF provides cash benefits, and technical assistance, to agricultural producers and fisherman who are adversely impacted by trade, or increased imports. This program began in 2002 and was expanded under the Democrats "stimulus." Funding for TAAF expired on February 12, 2011, and no new groups of producers can receive eligibility. However groups of producers that were certified as eligible by USDA on, or before, December 31, 2010 will continue to receive TAAF benefits for up to 36 months.

Public Law 111-334 authorized appropriations for January 1, 2011 through February 12, 2011, however, according to CRS, USDA thought this time period was too short to

implement the program, and the cut-off date to have a TAAF application approved by USDA was therefore December 31, 2011.

This program is administered through the United States Department of Agriculture (USDA) and there is a two-step process in administering benefits. Producers groups must become certified to receive benefits. To do this, they must show at least a 15% decline in the price of the commodity, the quantity of the commodity produced, or the production value of the commodity.

Once the group is certified, an individual producer must show that:

- The commodity was produced in the current and also the recent previous year;
- The quantity of the commodity produced decreased compared to that in a previous year, or the price received for the commodity decreased compared to a preceding three-year average price; and
- No benefits were received under any other trade adjustment assistance program.

Financial assistance is capped at \$12,000 over a three-year period, and must be used by the producer to develop and implement an adjustment plan to address increased competition. The USDA has certified 11 of the 30 petitions filed by producer groups and fisherman. There is a training component of this program that is to aid the producer in becoming more competitive in producing the same (or another) commodity. For more information about the TAAF, see [this CRS report](#).

Trade Adjustment Assistance for Workers (TAAW): The TAAW provides assistance to certain workers who lost their jobs directly due to increases of imports, or changes in production out of the United States. Under current law, TAAW provides cash benefits for up to 130 weeks. The “stimulus,” among other things, increased this payment period to up to 156 weeks. However, since the stimulus amendments to TAA expired on February 12, 2011, current benefits for this program are at pre-stimulus levels, which is up to 130 weeks. It is important to remember that benefits under this program begin after their federal or state unemployment compensation has ended. Also, a workers time on unemployment compensation offsets their eligibility for TAAW benefits. For example, if an unemployed individual receives the maximum of 99 weeks of unemployment compensation, they would only be eligible for a maximum of 31 weeks of TAAW benefits (130 - 99 = 31).

Some workers who are 50 or older may qualify to receive Reemployment Trade Adjustment Assistance (RTAA, or sometimes referred to as Alternative Trade Adjustment Assistance (ATAA)), which is another wage supplement program. The RTAA is appropriated as an entitlement, and received \$65 million in FY 2010.

Recipients of TAAW and RTAA can receive a Health Coverage Tax Credit (HCTC), which is a tax credit of up to 65% of health insurance premiums. In FY 2010, \$1.8 billion was appropriated for TAAW unemployment benefits (this is separate than the Unemployment Trust Fund). The HCTC an advanced refundable tax credit for health

care premiums. The credit is currently at its pre-stimulus size of 65%. The stimulus had expanded this credit to 80%. For more information on TAAW, RTAA, or the HCTC, see [this CRS report](#).

Trade Adjustment Assistance for Communities (TAAC): TAAC is a grant program created by the Democrats’ “stimulus.” The TAAC awards planning and implementation grants to certain trade-impacted communities, and it creates a competitive grant program for community colleges in impacted communities. The TAAC also has a grant program intended to encourage the creation of public-private partnerships that develop a skilled workforce. Workers who receive assistance under this program are also eligible to receive assistance under the Trade Adjustment Assistance for Workers program.

The Supplemental Appropriations Act of 2009 ([roll call vote here](#)) included \$40 million for the TAAC and the Trade Adjustment Assistance for Firms. The Consolidated Appropriations Act for FY2010 ([roll call vote here](#)) appropriated \$15.8 million for TAAC and the Trade Adjustment Assistance for Firms. The Health Care and Education Reconciliation Act of 2010 (Obamacare), ([roll call vote here](#)) included \$500 million in funding for each of the fiscal years FY2011 through FY2014 for community colleges and career training grants.

Some critics argue that TAAC duplicates the activities of the Economic Development Association’s (EDA) Economic Adjustment Assistance program (EAA). EAA awards federal grant assistance to economically distressed communities no matter if the community is suffering from “unfair” trade, or other reasons. For more information about the TAAC, see [this CRS report](#).

Additional Information from the House Ways and Means Committee:

http://rsc.jordan.house.gov/UploadedFiles/GSP-TAA_Concessions_Obtained_9-19-114.pdf

Supporting Arguments: Some conservatives have expressed the following support for the legislation:

- **Advance the Free Trade Agreements:** Some Members have expressed support for the legislation in order to advance the pending free trade agreements, since President Obama said he would not submit the agreements to Congress until TAA moved through the process.
- **Program Reforms:** Some TAA programs have been slashed, streamlined, and made more accountable.
- **Program Cost:** Considering the Administration wanted an extension of the program at 2009 “stimulus” levels, Members may support this legislation because it costs much less. It is paid for with spending cuts, including cuts to the program itself. A CBO score is below.

Conservative Concerns with TAA: Some conservative have expressed the following concerns:

- **Previous Conservative Opposition to the Program:** Previous RSC budgets would have eliminated the TAA programs. Additionally, House Republicans voted to eliminate TAA programs in 1995 as part of the budget resolution ([roll call vote here](#)). Members of Congress, [in a letter to Speaker Boehner and Leader Cantor](#), stated that “TAA is undoubtedly—and deliberately designed as—a federal wealth redistribution program that has no business existing in a free society.”
- **Weakens the Pro-Free Trade Argument:** By only assisting workers who claim job losses due to trade, the program provides an incentive to exaggerate the negative job impact of trade. Additionally, Members of Congress, [in a letter to Speaker Boehner and Leader Cantor](#), stated that “The underlying assumption inherent to TAA is that increased trade is bad and needs to be offset by yet another pseudo-compassionate federal program paid for by taxpayers at-large. It is time that we fully rebuff such thinking and forge ahead with a robust trade agenda that removes barriers wherever possible, on the notion that more and freer trade benefits all parties involved—consumers, workers, business-owners, inventors, and so on.”
- **Duplicative Programs:** The central components of these TAA programs (job-training, unemployment subsidies, health-care subsidies) are available under various other federal programs.
- **Evidence that Programs Don’t Work as Intended:** There is little data that shows that TAA programs positively impact the earnings of participants. A [Government Accountability Office](#) report concluded that TAA beneficiaries are more likely to earn less in their next job. Another study by [American University](#) showed similar results.
- **Continues Program the Obama Administration Proposed to Terminate:** The Obama Administration offered to terminate the Trade Adjustment Assistance for Firms program as part of their FY 2012 budget. More information can be found on [page 78 of this report](#).
- **Picking Winners and Losers.** Under TAA programs, the government picks winners and losers because TAA is intended to be limited to workers who lost their jobs due to trade. As James Sherk with the [The Heritage Foundation](#) put it: “The worker who loses his job to a foreign competitor should receive the same treatment as the Blockbuster employee who lost his job to Netflix.” Some conservatives may be concerned that the government is singling out trade-displaced workers for extra generous benefits compared to other displaced workers.
- **Additional Mandates:** Some outside business groups have expressed concerns over section 252 (detailed earlier in the bulletin). Conservatives, and others, may believe this section poses an unnecessary reporting mandate for employers and potentially increases costs for state UI administrative agencies. A letter from business groups [can be viewed here](#). **NOTE:** The letter references Section 562 of the TAA Offset amendments that were approved in the version of the Administration’s proposed legislation implementing the United States-South Korea Free Trade Agreement reported in a mock vote by the Senate Finance Committee. However this Section is Section 252 in H.R. 2832.

Outside Groups:

The following outside groups have expressed opposition to H.R. 2832:

- Club for Growth – *Scoring this as a key vote.*
 - [Linked here](#) is the Club’s original Key Vote Alert from February.
- Heritage Action for America – *Scoring this as a key vote ([alert linked here](#)).*

The following outside groups have expressed support for H.R. 2832:

- The U.S. Chamber of Commerce – *Scoring this as a key vote ([alert linked here](#)).*
- The National Association of Manufacturers – *Scoring this as a key vote.*

Committee Action: The House passed H.R. 2832 on September 7, 2011, by voice vote. The legislation was not referred to a specific Senate Committee (according to LIS). On September 19, 2011, the Senate approved the closure motion to proceed by a [roll call vote of 84-8](#). On September 22, 2011, the Senate approved H.R. 2832, as amended, by a [roll call vote of 70-27](#). The amendment attached Trade Adjustment Assistance programs to the legislation.

Administration Position: The Administration strongly supports enactment of H.R. 2832, which renews the Generalized System of Preferences (GSP) and Trade Adjustment Assistance (TAA) programs.

Cost to Taxpayers: CBO estimates that enacting H.R. 2832 would reduce direct spending by \$1.790 billion over the 2012-2021 period. CBO also estimates that H.R. 2832 would reduce revenues by \$1.784 billion over the 2012-2021 period. Additionally, CBO estimates that H.R. 2832 would increase authorizations (subject to appropriation) by \$239 million over the 2012 – 2021 period. CBO’s estimate is [linked here](#).

Does the Bill Expand the Size and Scope of the Federal Government?: The legislation reinstates the GSP program that eliminates tariffs on certain products (which is arguably a reduction in the size of the federal government). The legislation also increases the Merchandise Processing Fee from 0.21% to 0.3464% of the value of certain imports (which is arguably an increase in the size of the federal government, although CBO scores this as a reduction in spending). Additionally, the legislation extends the “sunset dates” for certain TAA programs, which would otherwise expire. Currently, the authorization for some of these TAA programs has expired (more detail is above).

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Section 252 of the legislation could require states, as a condition of meeting federal standards, to enact laws that prohibit relief from charges to employer unemployment insurance accounts. More information on Section 252 is detailed above.

CBO estimates that H.R. 2832 would impose mandates on importers of most goods and on private entities that provide health insurance for separated workers. CBO estimates that the aggregate cost of private-sector mandates would exceed the threshold established in UMRA (\$142 million in 2011, adjusted annually for inflation).

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with House rules is unavailable, however the bill contains no earmarks.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states: “Article I, Section 8, Clause 1--The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States.”

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