

Adding Insult to Injury for Pennsylvania Workers:

**Implications of Congress' Approval of a Fast Track Expansion
of NAFTA to 31 Countries and a Weak Safety Net for Workers**



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Adding Insult to Injury for Pennsylvania Workers

Implications of Congress' Approval of a Fast Track Expansion of NAFTA to 31 Countries and a Weak Safety Net for Workers

How trade policy affects U.S. workers and industries has become a very heated political and policy issue. A historic U.S. trade deficit, which Federal Reserve Chair Alan Greenspan calls “unsustainable,” is causing the value of the dollar to be dragged down. The trade deals of the 1990s, such as the North American Free Trade Agreement (NAFTA), have resulted in massive U.S. manufacturing job losses. Eight years of NAFTA has cost 766,000 U.S. jobs with 35,262 job losses in Pennsylvania.¹ For those who have found new employment, it is often service sector jobs at lower wages and without benefits. The government's answer to trade job losses is too little too late: a meager program of retraining and extended unemployment compensation for which only a fraction of the workers hurt by trade can qualify. The program, called “Trade Adjustment Assistance (TAA),” became a major issue in the extended battle over so-called Fast Track trade authority. Fast Track is the name for a procedure which delegates a wide swath of Congress' exclusive constitutional trade powers to the president. Proponents of expanding NAFTA and other trade deals, which have caused large job loss and other problems, sought the extraordinary process because it was the only means to overcome public opposition to the current model of special interest trade deals.

After an intense 18-month campaign, on July 26, 2002, President George W. Bush personally trolled the halls of Congress for support in the House of Representatives for a delegation to him of Congress' exclusive Article I, Section 8 Constitutional authority to set terms for international commerce. This extraordinary delegation of Congress' trade authority — Fast Track — was opposed in 1994. This procedure was available for twenty years starting in 1974, but was only ever actually used five times during that period. Congress refused to grant this authority to then-President Clinton eight years ago.

Razor-thin passage of the legislation at 3:30 a.m. on Saturday, July 27, 2002 after an array of procedural shenanigans secured Fast Track for President Bush, but both a consensus on the direction of trade policy and political momentum on Bush's trade agenda are absent.

The Fast Track legislation President Bush signed on August 6, 2002 explicitly extends Fast Track treatment to a 31-nation NAFTA expansion, called the Free Trade Area of the Americas and to an expansion of the World Trade Organization to cover more service sectors of the economy. Passage of Fast Track means new threats of more U.S. job loss, including in the high-tech and service sectors, and damage to U.S. farmers is added to the already significant concerns about how Fast Track undermines the Constitution's checks and balances.

Instead of adjusting the underlying trade rules to suit more Americans, the response by the White House and Republican congressional leaders to growing skepticism about NAFTA expansion and Fast Track was to launch an attack at efforts by Democrats to reform the TAA program. Already TAA has been often

criticized for focusing too much on post-facto assistance for workers hurt by trade and not enough on ensuring trade policy creates well-paying U.S. jobs. Incredibly in the midst of the Fast Track debate, the business lobby and GOP leaders worked to shred the meager safety net available to some of those who lose their jobs to trade.

Under the previously existing law, some U.S. workers who lose their jobs because of trade can qualify for a general Trade Adjustment Assistance program or can qualify for a more tailored NAFTA-TAA.² Both programs can include job retraining and up to an extra year of unemployment insurance³ (after exhaustion of the standard six months of unemployment benefits) for workers who are in training programs.⁴ Workers earned on average \$212 a week under TAA in 2000 — equivalent to an annual earnings of \$11,596.⁵ On average, workers receiving the TAA and NAFTA-TAA allowances receive them for 29 weeks.⁶

However, the eligibility criteria to obtain assistance under TAA is very narrow. Only a small percentage of those who lose their jobs to NAFTA or other trade deals are covered under the program. Whole categories of workers, such as high tech contractors, service sector workers, truck drivers, suppliers of relocated plants, and farmers have been excluded. In addition, the certification process is arduous. Qualifying for NAFTA-TAA is so difficult that many of the 75% of workers who qualify for either program are advised by unions or employment offices to skip NAFTA-TAA and apply for general TAA.⁷ Even so there are 402,981 specific U.S. workers from 3,132 companies who have been certified under NAFTA-TAA between January 1994 and April 2002 (with 30,226 workers from 274 companies from Pennsylvania). The programs expired at the end of 2001. As meager as the TAA programs were, year after year they were not fully funded. Such programs are decided by Congress in a two-step process: first the design of a program is “authorized” and then the funding for a program must be “appropriated.” TAA appropriations have not met even its modest design.

**The Bush Administration’s
Commitment to TAA Revealed**

“TAA is treated like a teenage girl in the back seat of a car. You promise her anything to get what you want. And then when you get it, you leave her.”

— Deputy Labor Secretary
D. Cameron Findlay.

Washington Post, Apr. 1, 2002.

Given the major problems in the existing programs and growing need for such programs, broad TAA reform legislation was introduced in the House and Senate in 2001. Congressional Republican leaders and the White House opposed the bills. Democrats, including those who consistently have supported past job-killing trade deals, insisted that TAA must be fixed and fully funded before they would consider Bush’s Fast Track legislation.⁸

Yet, the GOP leadership antipathy for the TAA program was so great that even despite this new political imperative, the TAA reform proposals came under severe attack and ultimately were gutted. Thus Fast Track was passed on a very partisan vote with all but 28 Republicans in the House of Representatives

(where the real fight occurred) supporting Fast Track and only 21 Democrats supporting. The opposition to this modest program by most Republicans was so extreme that the final passage of Fast Track was put at risk to avoid providing workers hurt by trade some short-term assistance. Underlying the attack was pressure by the business interests benefitting from relocating production to cheap overseas sweatshops who believed it was politically dangerous to admit that the trade deals they have pushed caused job loss — and thus that an assistance program was needed. As a result, they launched a multifront attack:

Lack of Funding: First, the GOP leadership refused to appropriate any funds for TAA when a Supplemental Appropriations bill passed the House in June 2002. Political commentators noted that inclusion of TAA money in this bill, which provided funds for other programs that had run out of money and for new vital programs, likely would have brought enough Democratic votes to pass Fast Track. Given that passage of Fast Track was a key GOP leadership priority, the GOP leadership’s refusal to include the TAA money was seen as an indication that an expanded TAA program would never be funded even if it was authorized.

TAA Reforms Derailed: Second, in the House and to a lesser, but significant degree in the Senate, the TAA reform programs designed by the Democrats were dramatically watered down.

- C Contract workers, fishermen and a substantial amount of secondary (those who work for parts suppliers or work in trucking or warehousing for manufacturing products) workers were cut out of TAA eligibility
- C Specific authorization for wage insurance to help workers who face steep wage cuts in their new jobs was cut
- C A program to help TAA recipients meet the COBRA health care payments necessary to maintain health insurance after layoff was gutted, and more.

When the Senate passed a trade package in May 2002, a significantly watered down version of the TAA reform bills was included. The White House spoke out against the Senate version of TAA as too generous regarding the categories of workers it covers and what benefits it provides them. As Fast Track headed for the ashbin of bad ideas in late July, 2002, White House and corporate pressure resulted in a last-minute closed-door meeting of a House-Senate conference committee tasked to produce one reconciled trade package — including TAA — for final consideration in both the House and Senate.

The issue of TAA reform became one of a short list of factors that would decide the fate of the trade package and of Fast Track. After being rejected by Congress for eight years, in part because of fallout over NAFTA, Fast Track was revived by President Bush post-September 11. Exploitation of the rally behind a “wartime

“Those injured by trade competition should not be required to bear the full brunt of its impact. There is an obligation to render assistance to those who suffer as a result of national trade policy.”

— President Kennedy, 1962

president” strategy resulted in Fast Track’s passage in the House of Representatives by only one vote in December of 2001. Extraordinary procedural shenanigans and protectionist promises to ensure certain House members to switch votes had been necessary to get the one-vote win. Last year, the Pennsylvania Congressional delegation voted essentially along party lines with all the Democrats opposing Fast Track and all the GOP supporting it except Rep. Curt Weldon (R-Aston) who opposed it.⁹

Freshman Reps. Melissa Hart (R-Bradford Woods), Bill Shuster (R-Hollidaysburg) and Todd Platts (R-York), and sophomore Rep. Patrick Toomey (R-Allentown) all supported Fast Track in December 2001, though all four new members represent districts that had representatives that opposed Fast Track in 1997 and 1998.¹⁰ These Republicans, including Rep. George Gekas (R-Harrisburg) supported the President over their constituents’ objections, in part because the President pledged to protect the steel sector, including steel workers and retirees.

A wild day on Capitol Hill began at midnight July 26 when a conference committee co-chaired by Rep. Bill Thomas (R-CA) and Sen. Max Baucus (D-MT) struck a deal on the controversial trade bill, which included Fast Track trade authority and approval to negotiate a 31-nation expansion of the North American Free Trade Agreement. The conference report reversed bipartisan progress on workers’ rights and environmental protections, extended the corporate lawsuit model of NAFTA which allows foreign investors to challenge domestic laws, and significantly eroded the Senate-passed Trade Adjustment Assistance reforms. A cabal of GOP leaders acted quickly the morning of July 26 to ram the legislation through Rules Committee procedure and onto the House floor before Congress broke for August recess.

The opposition to passing Fast Track was so great that President Bush was forced to make his first lobbying visit to Capitol Hill when he came trolling for the votes of wavering Republican lawmakers. The deal hatched between Thomas and Baucus was literally being turned into legislative language — including provisions that had never been reviewed by any committees or discussed. Indeed until 5:00 p.m. that fateful Friday, when Members were e-mailed a link to a committee website where the bill had been posted, the text was totally secret. Most lawmakers admitted to not reading the actual bill they were voting on. It was not until 1:00 a.m., following an intense and consuming 12-hour floor debate of controversial national security legislation, that Fast Track was called to the floor. Following heated exchanges by members outraged by the corrupt process, at 3:30 a.m. the U.S. House of Representatives voted 215-212 to delegate to the president for five years Congress’ constitutional authority to set terms of U.S. trade policy.

The Pennsylvania delegation repeated its partisan split on the vote for final passage, with only Weldon of Pennsylvania’s GOP opposing it. Unfortunately, the votes of Hart, Schuster, Platts, Toomey and Gekas enabled Fast Track’s passage, while the bulk of the steel industry’s problems remain. In March, 2002, President Bush took the first important step by imposing some emergency tariffs to protect against surging steel imports. However, now these tariffs are in danger of becoming meaningless because the U.S. has granted many of the 1,000 steel tariff exemption applications filed since the tariff announcement. As well, President Bush has refused to help steelworkers retirees whose health benefits are being abruptly canceled as steel mills go bankrupt.

The four votes of Pennsylvania's GOP, from congressional districts which traditionally oppose Fast Track, decided the Fast Track issue — and thus take responsibility for allowing a 31-nation NAFTA expansion. Given these votes made-up the margin, these Pennsylvania GOP decided that Congress and the public will have little role in deciding the terms of any trade agreements over the next five years — which is the duration of the Fast Track authority granted to President Bush. The increasing number of exclusions President Bush has granted to the emergency steel tariff should have given these members pause about giving up their trade power and giving President Bush a blank check on trade policy.

Trade issues take on particular urgency during the current economic downturn — although many workers did not need to rely on these retraining programs during the past economic expansion because new domestic service sector jobs were being steadily created for the manufacturing jobs lost to trade, as the economy slows and produces fewer jobs, job-loss caused by trade and the quality of the TAA safety net becomes more urgent. Workers who lose their jobs due to trade-related import competition tend to be older, women and minorities with less education than other workers facing job losses.¹¹

Economic Analysis Shows Nearly 800,000 Lost Jobs to NAFTA, 35,262 in Pennsylvania — 30,266 in Pennsylvania Obtaining NAFTA-TAA

Given this Fast Track explicitly covers a 31-nation NAFTA expansion in the Free Trade Area of the Americas, review of NAFTA's outcomes is important. Despite repeated inquiries by Congress and the press, the Clinton administration could never provide a list of more than a few hundred actual jobs allegedly created by NAFTA or any other corporate-managed trade deal. However, NAFTA-TAA, which is a significant undercount of job losses because of extremely narrow eligibility requirements and the lack of public awareness the program exists, already has certified hundreds of thousands of specific U.S. workers as NAFTA casualties.¹² Public Citizen has been tracking NAFTA-TAA figures since 1996, and these figure provide a snapshot of the types of workers and industries that are most vulnerable to free trade deals.

According to a Public Citizen analysis of Department of Labor records, NAFTA-TAA applications more than doubled between 2000 and 2001, rising from 53,819 in 2000 to 110,895 in 2001.

Nationally, 402,981 workers have been certified between January 1994, when NAFTA went into effect, and April 2002 under NAFTA-TAA.* Certifications have averaged over 50,000 a year — or one officially certified NAFTA job loss every other hour, 24 hours a day since NAFTA has been in effect. Applications for NAFTA-TAA have increased substantially since the current economic slowdown. According to a Public Citizen analysis of Department of Labor records, NAFTA-TAA applications more than doubled

* Public Citizen examined the NAFTA-TAA data that it obtained and continues to receive on a monthly basis through a Freedom of information Act Request in 1996. The data is regularly updated on its NAFTA webpage at www.tradewatch.org/nafta/index.cfm.

between 2000 and 2001, rising from 53,819 in 2000 to 110,895 in 2001. If the NAFTA-TAA application rate during the first four months of 2002 remains constant, NAFTA-TAA applications during 2002 are projected to increase by 14.2% over 2001. Certifications more than doubled between 2000 and 2001, rising 111.4%. If the certification rate for the first four months of 2002 remains constant, NAFTA-TAA certifications will rise 21.7% between 2001 and 2002.

Pennsylvania's NAFTA Job Losses Significantly Higher than National Average

Under just the NAFTA-TAA program, Pennsylvania has been certified to have lost 30, 226 jobs at 274 facilities as a result of NAFTA, according to an analysis of the Department of Labor records. The share of Pennsylvania jobs certified as NAFTA losses under NAFTA-TAA certifications is significantly greater than Pennsylvania's share of the national workforce. Pennsylvania had 60% more NAFTA-TAA certifications than its share of the national workforce since NAFTA went into effect.¹³ If NAFTA's job losses were distributed evenly across the country, each state would lose roughly the same percentage of jobs. According to analysis of Department of Labor figures, Pennsylvania had 11,851 more certified NAFTA job losses to NAFTA than it would if distribution were equal throughout the national workforce.

NAFTA Job Losses Occurred Throughout Pennsylvania

NAFTA layoffs have happened throughout Pennsylvania, from Philadelphia to Erie and White Mills to Masantown.¹⁴ The largest NAFTA layoff concentration of NAFTA-TAA certified job losses was in the Philadelphia area, which suffered 17% of the NAFTA job casualties listed under the NAFTA-TAA program. The Reading area suffered the second highest concentration of NAFTA-TAA certifications in the state, with one out of every ten NAFTA-TAA certifications in Pennsylvania.

Table 1. Concentrations of NAFTA-TAA Certified Job Losses in Pennsylvania

Metropolitan Area	NAFTA-TAA Certifications	Percent
Philadelphia	5037	16.66%
Reading	3037	10.05%
Sharon	2363	7.82%
Erie	2324	7.69%
Scranton--Wilkes-Barre--Hazleton	2170	7.18%
Pittsburgh	2058	6.81%
York	1264	4.18%
Allentown-Bethlehem-Easton	1261	4.17%
State College	947	3.13%
Williamsport	865	2.86%
Harrisburg-Lebanon-Carlisle	849	2.81%
Altoona	569	1.88%
Lancaster	322	1.07%
Johnstown	148	0.49%

However, 7,012 of Pennsylvania NAFTA-TAA certifications — one in five — were in more rural areas outside of metropolitan areas as defined by the U.S. Census Bureau. Pennsylvania’s NAFTA-TAA job losses were concentrated in the manufacturing sector, including electronics and electrical equipment manufacturing, transportation equipment, fabricated metal and industrial machinery manufacturing.¹⁵

Table 2. Pennsylvania NAFTA-TAA Job Losses By Industry

Pennsylvania NAFTA-TAA Certifications	Industry
5584	Apparel Products
5377	Electronic and Electrical Equipment, except Computers
4509	Transportation Equipment
3837	Fabricated Metal Products, except Machinery and Transportation Equipment
2340	Industrial, Commercial Machinery and Equipment
1741	Textile Products
972	Stone, Clay, Glass and Concrete Products
853	Leather Products
788	Rubber and Plastics
716	Instruments, Photographic, medical and Optical Goods, Watches, Clocks
591	Paper
531	Food
489	Primary Metal Industries
440	Printing and Publishing Industries
291	Chemicals
231	Wood Products, except Furniture
225	Misc. Manufacturing

Strict Eligibility Requirements Prevent Many Who Lose Jobs to Trade from Accessing NAFTA-TAA

These NAFTA-TAA certified job loss numbers represent only a fraction of the total U.S. jobs lost due to NAFTA. Few workers who lose their jobs to trade receive benefits under NAFTA-TAA or TAA programs. Thanks to the GOP leadership’s gutting of the TAA-reform proposals, the TAA programs passed with Fast Track fail to remedy these serious flaws.

Only workers who know about and choose to apply for the program are even considered. Then only certain types of workers in certain types of companies can qualify. Often, workers are not aware the NAFTA-TAA or TAA programs exist because there is no statutory requirement that state unemployment offices post notice of these programs. Only

workers who meet very narrow and strict eligibility requirements can qualify for TAA.* The TAA eligibility requirements on which the job-loss data above is based explicitly exclude contract workers (for instance many truck drivers and computer and high tech consultants), secondary workers (for instance, those manufacturing parts for a plant that relocates to Mexico), service workers and fishermen, further limiting access to benefits for those who even know to apply.

As described below, the GOP leadership gutting of TAA reform left the criteria largely the same — adding only farmers and certain “upstream” secondary workers.

Although the Coalition to Reform Trade Adjustment Assistance identified a quarter of a million U.S. jobs displaced by trade generally in 2001, only 30,000 received any TAA (general or NAFTA-TAA) benefits — or about one in ten.

— *Los Angeles Times*, Apr. 17, 2002.

Service Workers Barred from NAFTA-TAA

Only workers who produce a product (rather than a service) that is directly affected by NAFTA can qualify. Thus, only production workers were even eligible for NAFTA-TAA benefits. Service workers including trade-related employees, such as truck drivers and warehouse workers in a manufacturing plant, were not covered by NAFTA-TAA.¹⁶ Between January 1994 and September 1997, 16% of NAFTA-TAA applications were denied because the workers did not produce goods.¹⁷ For example, a worker at the Phelps Dodge Corp.’s copper mine in New Mexico who changed tires on ore-hauling trucks was not certified as TAA eligible although 600 of the mineworkers were eligible for TAA.¹⁸ Expanding NAFTA-TAA and TAA to cover secondary workers would nearly double the number of eligible workers because there are an estimated 95 secondary workers for every 100 workers currently eligible for TAA programs.¹⁹ As described below, this is an element of TAA reform the GOP leadership managed mainly to remove from the final legislation.

Secondary Workers Excluded from NAFTA-TAA

Secondary workers, even secondary production workers, have not been explicitly covered by NAFTA-TAA. The program’s narrow criteria excluded a significant amount of NAFTA job loss. For example, workers at an auto assembly plant that relocated to Mexico would be good candidates for NAFTA-TAA. But, unemployed workers at the factory next door that built the car’s engines would not qualify — even if 80% of their output went to the assembly plant that relocated — because their jobs were not directly affected. Also, stores and restaurants in the town whose patrons’ incomes have been eliminated would not be eligible for the program. The entire service sector is exempt from TAA. These were key flaws in TAA that the reform proposals (removed from the bill by the GOP leadership) sought to remedy.

In 1994, the Department of Labor issued a Statement of Administrative Action committing to provide NAFTA-TAA benefits for “workers in firms that are indirectly affected by imports from Mexico or Canada” that are ineligible for the statutory NAFTA-TAA benefits.²⁰ The standards to qualify were strict, however. For firms to be certified as losing production to increased import competition from NAFTA, the U.S. Court of International Trade has ruled that imports must be “important” and “so dominant” that other factors did not cause the reduced production.²¹ As a result, very few secondary workers have been certified. Between January 1994 and November 1997, NAFTA-TAA benefits were only granted to secondary workers from 36 petitioning companies — only 2.6% of the 1,326 total petitions that were certified between 1994 and 1997.²² Between January of 1994 and 2000, the General Accounting Office found that secondary workers comprised only 1.6% of the NAFTA-TAA certifications.²³ Adding TAA for secondary workers is another element of TAA reform the White House and Republican congressional leaders oppose. (See below)

* To be eligible for NAFTA-TAA income support, workers must enter job retraining within 16 weeks of their initial unemployment eligibility or 6 weeks after unemployment certification, forcing many NAFTA-TAA certified workers into unsuitable retraining courses, if no approved training program is available in a location accessible to a laid off worker, the worker is disqualified for the program. Additionally, to qualify for NAFTA-TAA, workers need to have six months of tenure before the NAFTA layoff. (Source: “Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs,” General Accounting Office, Oct. 2000)

High Tech Consultants and Other Contractors Excluded from TAA

Contract workers, temporary workers and other contingency workers also were not covered by NAFTA-TAA or TAA. Given 11.9 million workers are in contingency, contract or temporary work — representing 4% of the total workforce and as many as 40% of the high tech workforce — this flaw made the program useless for millions injured by trade.²⁴

High technology workers, including programmers and software engineers, are often contingent workers and increasingly have been subject to relocations of their jobs to software hubs in India and China. These high-tech sweatshops provide the services of highly-educated, well-trained computer and other experts at prices a fraction of similarly skilled U.S. workers. Global software powerhouse India has lured many U.S. firms to its high technology centers, including Microsoft's Hyderabad facility.²⁵ Denver-based Quark is moving most of its software engineers to India.²⁶ China's 10,000 software companies want to be next, and the Software and Information Industry Association invested \$60 million in Chinese outsourcing last December — days after the first round of Fast Track was approved by the House in 2001.²⁷ Typically, high technology contingency workers sacrificed health care benefits, pension, and bear the cost of payroll taxes on their own, but received higher hourly wages.²⁸

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Cumbersome Certification Process Further Limits Access to TAA Benefits

The certification process for NAFTA-TAA was so unwieldy that, nationally, one in three applicants have been rejected each year. According to Public Citizen's analysis of the Department of Labor data, NAFTA-TAA applicants were denied 38.9% between 1994 and April 2002 on average. The lowest denial rate was during the first four months of 2002, when only 34.5% of applicants were rejected and the highest rejection rate was 42.5% in 1998. More than half (51%) of Pennsylvania NAFTA-TAA applicants were rejected between January 1994 and April 2002.

Even With Retraining, Many Workers Lose Earning Power, Healthcare Benefits

Even for those workers who lost jobs to trade and completed TAA re-training and found new jobs, many faced significant reductions in earnings. Indeed the Labor Department's goal for workers receiving TAA is revealing in this regard: to help workers find new positions paying at least 80% of their old wage level. In a Labor Department survey in 1999, only three-quarters of workers certified to have lost their jobs to NAFTA and entered retraining programs found new jobs.²⁹ Of the 75% of workers who found new jobs after retraining in 1999, when the economy was strong, just slightly more than half (56%) had jobs that paid more than 80% of their pre-NAFTA layoff employment.³⁰ In 2000, 65% of NAFTA-TAA and TAA retrained workers had new jobs making at least 80% of their pre-layoff wages — still below the Department of Labor target performance of 72% of retrained workers earning 80% of pre-layoff earnings.³¹

The average wage NAFTA-TAA certified workers received before their NAFTA layoff was \$10.45.³² Only 58% of the workers who received NAFTA-TAA retraining attained the goal of receiving more than 80% of their pre-NAFTA earnings, making an average of \$9.73 an hour.³³ The U.S. Trade Deficit Review Commission found that on average earnings dropped by 5.7% for NAFTA-TAA and TAA workers in the retraining program between 1995-1997, but for workers with more than 16 years of job tenure earnings fell 28% after retraining and workers with 11-15 years of job tenure lost 21% of their earning power.³⁴

In addition to declining wages, many workers who lost their jobs to trade faced difficulties regaining a comparable level of benefits, including pensions and healthcare. Although most manufacturing jobs have benefits packages, the majority of the service employment post-TAA workers find after trade related layoffs does not offer health insurance or pensions. Although the federal COBRA program allows workers who have lost their jobs to buy into any health care benefits they received when they were employed at the price the employer paid (a substantial discount from trying to get coverage

for a family), the cost can still be prohibitive. Only one in five workers eligible for COBRA choose to enroll in the program, primarily because of cost.³⁵ The loss of healthcare insurance by U.S. workers who lose their jobs to trade was another reform the GOP leadership stripped from the Fast Track package.

The GOP Attack on TAA Reform in 2002

Given the problems with the existing TAA programs and the growing need for them as the U.S. economy slowed, major TAA reform rules were prepared. The Senate TAA reform bill, S. 1209 the “Trade Adjustment Assistance for Workers, Communities and Firm Act of 2001” sponsored by Senator Max Baucus (D-MT) and the House companion legislation H.R. 3359 sponsored by Rep. Ken Bentsen (D-TX) and Anna Eshoo (D-CA), advanced many comprehensive reforms. Both measures combined the two TAA programs, resolved some of the administrative problems that have resulted in delays in TAA certifications, extended TAA assistance to 104 weeks for those in retraining, provided 50% wage insurance for workers over 50, expanded eligibility to farmers, fishermen, oil and gas, and taconite workers, and provided a 75% government contribution to the COBRA health payments of workers receiving TAA.³⁶ These bills also ensured TAA was available to a wide range of secondary workers, including downstream producers or suppliers (purchasers of goods produced by firms that eliminate jobs because of trade) and upstream producers or suppliers (who sell or supply parts to firms that eliminate trade) and to contract workers such as high-tech workers.³⁷ When the last-minute Fast Track conference committee was called, the House and Senate presented different versions of TAA.

Senate “Compromise” TAA Proposal in Fast Track Package Eliminated Key Reforms

Senate Democrats had attached their version of TAA reform legislation to a larger trade package which included Fast Track. However, Senator Phil Gramm (R-TX) threatened to derail the package over the proposed TAA provisions in May 2002. Democratic Senate Finance Committee Chairman Max Baucus (D-MT) and Senate Democratic Majority Leader Thomas Daschle (D-SD) decided that advancing the trade package was more important than making assistance available to workers hurt by trade. Thus, the Senate Democratic leaders, over opposition by most Senate Democrats, struck a compromise with the White House which eliminated key aspects of the original Democratic reform bills. The “compromise” TAA provisions that eventually were included in the final Senate Fast Track bill were significantly watered down from the carefully considered improvements to the NAFTA-TAA and TAA programs that were compiled in the House and Senate Democrats’ TAA reform bills. The TAA reforms in the Fast Track legislation that passed the Senate included health care support for trade layoffs, wage insurance and extended the length of time workers could be in training programs. However, the important inclusion of most secondary workers and all contractors and a real wage insurance program were all cut and the healthcare benefits were weakened. The compromise between Democratic Senators Baucus and Daschle and the Bush White House eliminated TAA eligibility for all contract workers and lopped off coverage from all downstream secondary workers. While secondary workers would have gained TAA benefits under the original Senate merger of the TAA and NAFTA-TAA, the “compromise” explicitly cut out workers using NAFTA-TAA, which currently includes secondary workers,

Companies with More than 1,000 Certified NAFTA Job Cuts

There are 47 firms that had had more than 1,000 NAFTA-TAA certifications accounting for the layoffs of 106,822 workers. This is 26.5% of all NAFTA-TAA certifications. Companies that reduced their staff by more than 1,000 workers because of NAFTA include such well known names as Levi Strauss (8,030), Motorola (6,170), Fruit of the Loom (4,364), General Electric (3,646), Tyco Electronics (3,426), Lucent (3,416), Hewlett Packard (2,920), Dana Automotive (2,511), Russell Corporation (2,441), Louisiana Pacific (2,319), Vanity Fair (2,391), Stroh Brewery (2,222), Sara Lee (2,165) and Eaton Corporation (2,082). (Public Citizen analysis of Department of Labor data.)

from this benefit. This roll back meant that non-production workers in factories shuttered by trade who lost jobs due to trade will not have access to the job retraining benefits because they were service personnel or secondary workers.

The Senate Fast Track TAA provisions included some help for workers laid off due to trade to maintain their health insurance. The Senate provision included a 70% support to help laid off workers purchase health insurance through their previous employers, provided they had such benefits through the federal COBRA program. (This was five percent less than what Democratic Senators had sought in their TAA reform proposal.³⁸) The Senate COBRA provision funded the subsidy through an advanceable and refundable tax credit.³⁹ While this benefit was significantly better than no health care provisions, the cost can be prohibitive and many families are forced to make hard choices about whether they can afford health care coverage on their diminished earnings (about \$850 a month) from TAA allowances. For example, COBRA payments for individuals cost on average \$225 per month and for families cost on average \$600.⁴⁰

The TAA provisions in the Senate trade package also included a 2-year experimental program providing wage insurance to ensure that workers over 50 years old who lose their jobs due to trade and re-enter the workforce with reduced earnings would receive 50% of the difference between their pre-layoff wages and their new, lower earnings. The Senate Bill excluded a \$50 million authorization for this program which would have helped those most at risk of dramatically reduced earnings after suffering trade related job losses. However, the White House legislative director Nick Calio was clear that the White House wanted even this modest wage test program stripped out of the legislation in the conference committee -- and in the end, the explicit authorization was removed and the wage insurance program was linked to a forfeiture of training benefits.⁴¹

As well, almost all downstream secondary workers, such as truck drivers who deliver a factory's goods, were excluded under the Senate "compromise." The compromise also removed TAA coverage for all contract workers, including most high-tech workers. The Baucus compromise also dropped a provision to provide a one-year stop-gap health care benefit for retirees from bankrupt steel mills — essentially severing the negotiated retiree health care coverage for 125,000 retirees and dependants.⁴² The elimination of the broad secondary worker provisions in the Senate "compromise" means that more than 200,000 workers who would lose their jobs to trade would be cut off from access to benefits, according to GAO estimates.⁴³

"I have conveyed to the GOP Leadership that any material change to the Senate provisions would be unacceptable, and would cause me to reconsider my vote." Yet, even after Bentsen's TAA bill was gutted — causing its other sponsors to oppose the package — Bentsen voted yes.

SRep. Ken Bentsen (D-TX),
who voted for Fast Track in 2001,
Inside US Trade, Jun. 14, 2002.

Thomas Version of TAA in House Altogether Guts Reforms

In late 2001, the House Republican leadership had allowed a vote in the House to re-authorize the existing TAA programs but had refused even to allow a vote on the Bentsen-Eshoo TAA reform bill. Then, in late June 2002, after the Senate TAA "compromise" had been passed, House Ways and Means Chairman Bill Thomas (R-CA) presented yet another TAA bill aimed at rolling back the already watered-down Senate "compromise."

Through a variety of extraordinary procedural maneuvers, Thomas was able to bundle his new version of TAA legislation together with a modified version of a Fast Track bill, an Andean Trade Preferences Act, GSP extension and a new \$50-million WTO penalty-payment fund. Neither the TAA proposal nor the entire package had been subject of any Committee hearings, mark ups or even made available to most other Members of Congress before Thomas pushed a procedural vote to replace previously-passed House legislation on some of these issues with his package. This procedural stunt was a tactic by Republicans who viewed the Senate-passed TAA provisions in the Senate Fast Track package as too generous. House Republicans have signaled that they only will agree to significantly scaled back TAA provisions.

The Thomas TAA proposal excluded all secondary workers and contract employees, excluded for regular TAA, farmers, fishermen, oil and gas, and taconite workers and only authorized the extension of the TAA program for two years compared to five in the Senate bill.⁴⁴ The Thomas bill entirely excluded wage insurance provisions.⁴⁵ The Thomas version also did not merge the two TAA programs together, offered considerably more modest reforms on training eligibility limits, and did not address the administrative problems between state and local authorities or streamline the application and certification process.⁴⁶

“We believe that a robust and successful TAA program is absolutely critical to building a national consensus on trade.”
S Letter from 25 members of the pro-trade New Democrat Coalition,
Apr. 12, 2002.

Besides cutting out secondary, contract workers, farmers, taconite miners and fishermen and any wage insurance, the Thomas version of Fast Track gutted the health benefit. The Thomas proposal was limited to a 60% tax refund to offset funds spent on health insurance coverage. The provisions only applied for one year, compared to two in the Senate version, included an income eligibility limit through an income test and called for users to seek insurance in the market, not through COBRA or state-sponsored health plans.⁴⁷ The COBRA provisions in the Thomas rule were a considerable reduction in benefits compared to the Senate provisions, because not only was the support reduced by 10% but a tax refund would not help the recently unemployed purchase health insurance. Those whose income has suddenly been cut off cannot benefit from an income tax credit, meaning health insurance would remain beyond the reach of most families.

Representatives Anna Eshoo (D-CA) and Ken Bentsen (D-TX), House sponsors of identical TAA reforms that were in the original Senate Fast Track, were highly critical of the Thomas limitations to the TAA benefits in a Dear Colleague letter to the entire House.⁴⁸

During the last-minute Fast Track conference committee, many observers speculated that the GOP House leadership’s insistence on further weakening TAA would cause the Senate Democrats to walk away — or, more likely, force the GOP to acquiesce to a major reform of TAA along the lines of the Democratic proposals. These observers figured that although Senate Finance Chair Baucus was notorious for his regular cave-ins to GOP leadership and special interest demands and also was known to have only a fleeting familiarity with the substance in question, in the end Democratic Senate Majority Leader Daschle would make certain real TAA reform was a pre-condition for the conference’s conclusion. Unfortunately, Daschle signed off on a deal that watered down the already watered-down TAA which had emerged from the Senate.

Scaled Back Coverage

Thus all high-tech and other contract workers, all downstream secondary workers, service workers and fishermen were excluded from TAA coverage. Remarkably, Daschle and Baucus conceded not to merge the two TAA programs, meaning that workers whose jobs relocated overseas — with a factory explicitly closing in the U.S. and re-opening overseas — would not necessarily be covered by the program. Unlike the automatic coverage for such workers offered in NAFTA-TAA, under the final package, these workers would have to meet the regular TAA terms. Yet when U.S. plants which produced for export relocate overseas, it is impossible to show increased imports to the U.S. (because the products continue to go to the third country to which they had been exported) meaning those workers are excluded from TAA.

Other Serious TAA Problems Not Addressed

Health Care Further Weakened

Even for the narrow set of workers who might qualify for TAA, the assistance to maintain healthcare benefits was further reduced—resulting in a level of support which means most workers who could benefit simply will be priced out of using the benefit because their share of COBRA health payments would be prohibitively high. The level of government assistance ultimately agreed to was 65% — and the mechanisms for delivery of that benefit and to which healthcare programs it might apply conspire to drastically limit its use.

The final package also junked the important reforms proposed regarding how TAA is administered. Currently, applicants to NAFTA-TAA file for certification at the state level. Either companies, unions or a group of at least three workers can apply for benefits under NAFTA-TAA. Governors must make preliminary findings within ten days of receiving the NAFTA-TAA application and the Department of Labor must make a final determination within 30 days of the state's ruling.⁴⁹ The state authorities determine whether or not production and employment have declined and whether production has shifted to Mexico or Canada. However, federal government staff at the Department of Labor's Office of Trade Adjustment Assistance determine whether imports have contributed to production decreases.⁵⁰ In 1999, NAFTA-TAA certification investigators took 54 days to make determinations and 58% of the investigations exceeded the 40-day requirement.⁵¹ The final TAA provisions did not deal with this administrative mess. A 2000 Department of Labor survey found that one third of states had a waiting list for TAA training benefits programs.⁵²

Final TAA Package Not Funded

Ultimately, any TAA program only will deliver benefits to laid off workers if there is a dedicated funding stream to actually provide for the program, and for too long and once again, this has not been the case. In the past, TAA programs routinely have been passed, but poorly funded. Many Americans do not really know the difference between the congressional authorizing and appropriating processes: authorization designs programs and directs the government to fund particular programs, but it is the appropriation process that actually cuts the check. Currently, TAA funding frequently runs out midway through the year. In 2001, NAFTA-TAA and TAA cost \$400 million.⁵³ To implement the TAA provisions ultimately included in the Fast Track package would require \$300 million more per year than currently appropriated.⁵⁴

Yet as TAA became politically linked to the fate of Fast Track, Congress did not include funding for programs in the recent supplemental appropriation — the emergency expenditure legislation designed to fund programs that have run out of money, though the supplemental appropriation did earmark money for the Workforce Investment Act and Economic Development Assistance in the supplemental's Employment and Training Administration Labor Department Appropriation, where the TAA programs would be funded.⁵⁵

Currently under the existing TAA program, more than one fifth of states already have NAFTA-TAA budget shortfalls. According to the Labor Department, 13 states had funding shortfalls for their NAFTA-TAA programs, including Pennsylvania, North Carolina, Texas, Washington and Wisconsin.⁵⁶ In a survey completed by the Trade Deficit Review Commission, half the states or municipalities contacted reported that NAFTA-TAA and TAA funding was insufficient and they recommended that funds for training be increased between 20% and 50%.⁵⁷ The survey found that 34 of 44 localities found federal funding insufficient to support NAFTA-TAA or TAA.⁵⁸ The lack of guaranteed funding only exacerbates the injury of Fast Track and its 31-nation FTAA NAFTA expansion and the insult of the pathetic TAA program.

Conclusion

Political fallout for Members of Congress who supported Fast Track and the weak Trade Adjustment Assistance program included in the Fast Track package will increase as will trade-caused job losses. Given Pennsylvania was one of the worst hit by NAFTA job losses, it is expected to be a major loser under NAFTA expansion. Thus that the votes of a few GOP Pennsylvania House Members were the deciding factor in passing Fast Track is especially extraordinary.

**Appendix: Pennsylvania NAFTA TAA-Certified Job Losses
Jan. 1994-Apr. 2002**

Company	NAFTA-TAA Certified Workers	City	Product
Kraft Foods North America	200	Allentown	barbecue sause and salad dressing
Tect, Inc.	160	Allentown	sew, embroider, screen, package
Scotch Maid	80	Allentown	athletic apparel, gym wear & activewear
Tect, Inc. Tect, Inc.	45	Allentown	cutting t-shirts cutting tee shirts
O and H Manufacturing	34	Allentown	knit undergarments & men's shirts
Tect, Inc. Tect, Inc.	18	Allentown	cutting tee shirts sewing tee-shirts
J and L Structural J. Allen Steel	31	Ambridge	crossmember beams steel beams
L and G Manufacturing	50	Archbald	men's suit and dress pants
Woolrich, Inc.	130	Avis	apparel; outerwear and sportswear
Merry Maid Novelties	50	Bangor	slacks, skirts and ladies' sportswear
Connie Casuals Limited	17	Bangor	ladies' blouses
Standard Steel Specialty	15	Beaver Falls	elevator guide rail
Kinney Shoe Corp.	200	Beaver Springs	shoes
New Holland North America	14	Belleville	hay rakes, mowers and manure spreaders
Pfaltzgraff Company (The)	16	Bendersville	stoneware and dinnerware
Winona Knitting Mills	155	Berwick	sweaters
Dana Corporation	105	Berwick	leaf springs
Strick Corporation		Berwick	truck trailers and container chassis
Burns Philip Food	10	Bethlehem	food colors and the famous sauce line
Woolrich, Inc.	220	Blanchard	apparel; sportswear and outerwear
Money's Foods U.S.	300	Blandon	mushrooms
Yarway Corporation	15	Blue Bell	hancock and welbond valves
Motor Coils Manufacturing	120	Braddock	traction motors &
Motor Coils Manufacturing	25	Braddock	bull gears and pinions
Pennzoil Products Co.	44	Bradford	natural gas and crude oil
Dale Electronics, Inc.	40	Bradford	electronics
Atapco- American Trading & Production Co	225	Bristol	paper related filing supplies
Winpak Portion Packaging	148	Bristol	containers for food & dairy
T and K Manufacturing	25	Brownstown Meadville	men, women and children's underwear
Cooper Industries	20	Cannonsburg	power transformers
Scentique Boudoir Accessories Inc.	50	Carbondale	lingerie and accessories
Corning Frequency Control	125	Carlisle	precision crystal resonators

Adding Insult to Injury for Pennsylvania Workers

Company	NAFTA-TAA Certified Workers	City	Product
Tyco Electronics	125	Carlisle	electroplated connector components
Milacron Resin Abrasives	23	Carlisle	grinding wheels
Tailor Tech	25	Catawissa	children's and ladies clothing
Dee Fashions Inc.	50	Centralia	women's formal wear
Plaid Clothing Group	350	Chambersburg	men's suits
CCL Industries	20	Chester	collapsible metal tubes
CCL Industries	20	Chester	collapsible metal tubes
Berg EElectronics	31	Clearfield	electronic connectors
Stabilus	278	Colmar	pneumatic spring and dampers
Anchor Glass Container	208	Connellsville	glass containers
Nu-Kote, International	55	Connellsville	mixes chemicals for copy machine
R.B. and W Manufacturing	82	Coraopolis	metal fasteners for automotive
North American Refractories	44	Curwensville	alumina refractories
Howes Leather	15	Curwensville	lace and upholstery leather
Cesare's Apparel	150	Danielsville	women's blouses and vests
The Isfel Company	190	Danville	children's wear for girls
TRW	49	Danville	internal combustion engine valves
Strick Corporation		Danville	truck trailers and container chassis
Dixon Ticonderoga	108	Deer Lake	markers, pens & art kits
Nu-Kote, International	55	Derry	mixes chemicals for copy machines
Triboro Electric Co.	73	Doylestown	electrical wiring
Triboro Electrical	18	Doylestown	electrical wiring
North American Communications	125	Duncansville	direct mail services
Exide Technologies	279	Dunmore	automotive batteries
Thomson Multimedia	111	Dunmore	color tv picture tubes
Kaufman Footwear	263	Dushore	nylon and leather boot uppers
Hoffman New Yorker	21	Dusuore	pressing equipment
Tyco Electronics	111	East Berlin	electronic connectors
National Electrical Carbon Products	26	East Stroudsburg	carbon brushes
Day Timers	40	East Texas	business planners and calendar
McGinley Mills	65	Easton	ribbon products
Spectrum Control	69	Elizabethtown	microwave resonator products
FCI USA FDB, Inc.	180	Emigsville	electrical connectors men's and ladies
General Electric	1500	Erie	locomotive parts

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Company	NAFTA-TAA Certified Workers	City	Product
Component Technology Corporation	245	Erie	dispenser molding and assembly
General Electric	163	Erie	motors
Kaiser Alumium and Chemical	140	Erie	forgings and extrusions
Zurn Industries	110	Erie	boiler components
Carlisle Engineered Products	48	Erie	engine cooling components
General Electric	35	Erie	dc motors and component parts
Schmalbach Lubeca Plastic Containers	29	Erie	steel mold components
American Meter	22	Erie	radial flow valves
American Meter Company	17	Erie	regulator assembly for gas meters
Custom Engineering	15	Erie	oil pans for locomotives
Strick Corporation	815	Fairless Hills	truck trailers and container chassis
Mead Corporation (The)	101	Fairless Hills	folding cartons
Caparo Steel	175	Farrell	slab steel
Tri State Data Products	3	Feasterville	narrow band printer ribbons
Key Plastics Inc.	38	Felton	plastic molded items for automobiles
Garden State Tanning	200	Fleetwood	leather cut sets for automotive industry
Hubbell-Bell	83	Fogelsville	electrical fittings
Hubbell Inc.	5	Fogelsville	electrical weatherproofed products
Sony Electronics	54	Frackville	speaker systems
Oglevee LTD	100	Fredonia	geranium impatient cuttings
Penridge Manufacturing	31	Freeland	men's and women's jackets and pants
Garland Commerical Industries	22	Freeland	commercial cooking equipment
American Baseball Cap	7	Friedens	batting helmets
Stewart Connector Systems	69	Glen Rock	modular components
Hempfield Foundries	30	Greensburg	pipe fitting
Overly Door	22	Greensburg	metal doors
Overly Door	22	Greensburg	metal doors
Trinity Industries	1071	Greenville	railroad cars, parts and repair
Trinity Industries	1000	Greenville	railroad cars
Exide	150	Hamburg	automobile batteries (industrial)
FCI USA	230	Hanover	electrical connectors
True Temper Hardware Company	116	Harrisburg	workmate tables
Proctor and Gamble Manufacturing	170	Hatboro	pharmaceutical (VapoSteam VapoCream)
Alfred Angelo, Inc.		Hatboro	bridal & bridesmaids gowns

Adding Insult to Injury for Pennsylvania Workers

Company	NAFTA-TAA C e r t i f i e d W o r k e r s	City	Product
Reiniger Brothers Inc.	40	Hatboro	fresh cut flowers
Hatfield Trousers	50	Hatfield	men's pants
GL&V Dorr Oliver	55	Hazleton	filtration equipment
CW Industries D and M Tool	27	Hazleton	electrical switches molds and dies
Jandy Apparel	80	Hellman	girls clothing
Dalmatia	31	Herndon	girl's dresses, tops, and pants
Alfred Angelo, Inc.	99	Horsham	bridal & bridesmaids gowns
General Instrument	6	Horsham	broadband amplifiers
Strick Corporation	40	Hughesville	truck trailer flooring
Elco Corporation	85	Huntingdon	electric connectors
B.W. Manufacturing	46	Indiana	ladies' skirts and slacks, vests, tops
Sterling Lebanon Packaging	235	Jeannette	paperboard gift boxes
Laurel Mold	8	Jeannette	molds for glass industry
Kresgeville Manufacturing		Kresgeville	ladies jackets, vests, and slacks
Roadware Corporation	20	Kylertown	ARANs; automatic road analyzers
Marconi Technologies Inc.	65	Lancaster	cable and wire harness assemblies
Thomson 60 Case	53	Lancaster	steel shafting
Burle Industries	35	Lancaster	electron tubes
Bell Sports Inc.	35	Lancaster	headlight systems
American Olean Tile Company	478	Lansdale	ceramic wall tile
Timken Latrobe Steel	41	Latrobe	tool and die steel
Motor Coils	25	Lawrenceville	bull gears and pinions
Grief Company	60	Lehigh Valley	men's clothing: suit coats
Ashmore Sportswear	13	Leola	t-shirts
Scotty's Fashions	610	Lewistown	ladies jackets, vests, and slacks
Lewistown Specialty Yarns Inc.	568	Lewistown	polyester yarn
Lear Corporation	50	Lewistown	automotive carpeting
Masland Industries	20	Lewistown	automotive interior trim products
R Manufacturing	61	Lilly	dresses and blouses
Littlestown	44	Littlestown	pants, shirts, knits, toddler suits
Trinity Industries	50	Lyndora	railroad cars
General Electric	36	Malvern	analog & power line carrier devices
Gateway Sportswear	45	Masontown	women's pants, skirts, and t-shirts
Kirby Manufacturing	25	McClure	pajamas, robes, tops and pants
Snuffy's Pet Products	27	McConnellsburg	rawhide treats dog treats
Advanced Metallurgy	40	McKeesport	electrical contacts for large generators

Public Citizen

Company	NAFTA-TAA Certified Workers	City	Product
Leech Tool and Die Works LeeMah Electronics	30	Meadville	molded plastic parts circuit boards
United Tool and Die	9	Meadville	steel molds
Thomas and Betts	14	Mercer	unit heaters
Thomas and Betts Corporation	3	Mercer	infrared heaters
AMP, Inc	376	Middletown	custom cable assemblies
AMP, Inc	19	Middletown	fiber optic connectors
Spectro Knit	62	Mifflinburg	ladies' knit tops and sweatshirts
Seal Glove Manufacturing	10	Millenburg	industrial work gloves
Linden Knitting Wear		Mohrsville	t-shirts
Lending Textile	120	Montgomery	decorative textile trims
J.C. Decker Company, Inc.	38	Montgomery	pet supplies and small leather good
Thomas and Betts Corp.	152	Montgomeryville	electrical components
General Cable	111	Montoursville	consumer cord sets
Funtime Sportswear	160	Moscow	sports bars and shorts
Sony Electronics Sony Electronics	129	Mt. Pleasant	color televisions color televisions
FCI USA, Inc.	700	Mt. Union	electronic connectors & cable assemblies
Rad Woodwork Co. Inc.	22	Nescopeck	laminated floors and butcher-block
Portola Packaging	20	New Castle	plastic bottle caps
W.R. Grace and Company - Conn.	10	New Castle	polystyrene board
Columbia Forest Products	209	New Freedom	sliced hardwood veneer
Siebe Appliance Controls	147	New Stanton	appliance controls
Invensys Appliance Controls	72	New Stanton	diastats used in heat controls
Collegeville Imagineering		Norristown	halloween costumes
Thomas and Betts Corp.		North Wales	electrical components
500 Fashion Group	105	Northhampton	men's sport coats and suits
Mayflower Manufacturing	61	Old Forge	men's dress & casual slacks
Mayflower Manufacturing Company	40	Old Forge	men's, boy's dress & casual slacks
Price Pfister Printing Arts America	27	Pacoim Saint Joseph	faucets and hardware printed materials
Fernbrook	45	Palmerton	men's, women's & children's clothing
Philadelphia Mixers Philips	23	Palmyra Portland	mixers projection television
Connie Casuals Limited	3	Pen Argyl	ladies' blouses
Keystone Transformer Company	180	Pennsburg	transformers
Budd Company (The)	868	Philadelphia	automotive stampings (doors, roofs, etc)

Adding Insult to Injury for Pennsylvania Workers

Company	NAFTA-TAA Certified Workers	City	Product
Frank H. Fleeer Corporation	212	Philadelphia	cutting & collation of sports cards
Crown Cork and Seal Co. Inc.	210	Philadelphia	steel food cans
W. Seitchik and Sons	110	Philadelphia	men's tailored clothing
VIZ Manufacturing	90	Philadelphia	meteorological instruments
VIZ Manufacturing	90	Philadelphia	meteorological
Atessa	80	Philadelphia	men's suit coats & pants
Crown Cork and Seal	60	Philadelphia	coated sheet metal for cans
Progressive Knitting Mills of Pennsylvan	50	Philadelphia	cutting and sewing of active wear
H.H. Rosinsky	50	Philadelphia	ladies' apparel
Rohm and Haas Company	20	Philadelphia	ion exchange resins and herbicides
QRC Corporation	9	Philadelphia	escalator handrails
500 Fashion Group		Philadelphia	men's sport coats and suits
Chester Clothes	106	Philipsburg	men's and boys' suits
Chester Clothes	106	Philipsburg	men's and boys' suits
Northside Manufacturing	5	Philipsburg	men's and boys' suits
Pinewood Casuals	5	Philipsburg	men's and boys' suits
Sports Spectacular	2	Philipsburg	men's and boys' suits
Bachman Company (The)	97	Phoenixville	potato chips
Gulford Mills H.R. Jones Veneer	482	Pine Grove	fabrics for apparel veneer
Summit Station	45	Pine Grove	sleepwear and outerwear
Miller Group (The)		Pine Grove	t-shirts
Cutler Hammer	55	Pittsburgh	electronic meters, protective relays
Reidbord Bros. Co.	150	Pittsburgh	men's trousers
Thermal Industries, Inc Thermatex Corporation	56	Pittsburgh	vinyl lineal extrusion ceramics for steel
Beck Arnley Worldparts Corp.	54	Pittsburgh	auto parts
Wheelabrator	4	Pittsburgh	standard air pollution control products
O-Z Gedney	75	Pittston	electrical fittings
Techneglas	52	Pittston	picture tube panels, glass panels
Gintex, LTD	25	Pittston	dresses
Gent J	28	Plymouth	ladies'
Gent J	28	Plymouth	ladies' blazers/jackets &
Miller Group (The)	200	Port Carbon	t-shirts
Spicer Manufacturing	26	Pottstown	automotive driveshaft components
Avery Dennison	20	Quakertown	pressure sensitive materials
Dana Corporation	1087	Reading	light duty pickup truck frames

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Company	NAFTA-TAA Certified Workers	City	Product
Dana Corporation	850	Reading	truck frames, truck side rails
H. Oritsky	130	Reading	men's suits and slacks
Bacou Dalloz USA	100	Reading	protective respiratory equipment
HMG Intermark Worldwide Manufacturing	50	Reading	point of purchase displays
Dana Corporation	28	Reading	heavy truck side rails
Bortz Chocolate, Inc.	12	Reading	chocolate candy
C-Cor Electronics	30	Reedsville	power supplies assemblies
Richfield Apparel	100	Richfield	men's & boys' dress and sport shirts
Crown Cork and Seal	10	S. Connellsville	twist-off caps with paper liners
Seton Company	400	Saxton	leather hide for car seats
Miller Group (The)	48	Schuylkill Haven	t-shirts and sweatshirts
Miller Group (The)		Schuylkill Haven	t-shirts
Miller Group (The)		Schuylkill Haven	t-shirts
Haddon Craftsmen	400	Scranton	books (binding of books)
Triple A Trouser	106	Scranton	men's and boy's dress & casual slacks
Romart	50	Scranton	men's tailored suits jackets & coats
Triple A Trouser	30	Scranton	men's and boys slacks
Fashion International	29	Scranton	blazers and men's sport coats
AMP	181	Seven Valleys	radio frequency parts
Grove U.S. LLC	950	Shady Grove	aerial work platforms
The Isfel Company		Shamokin Dam	children's wear for girls
R and S Dress	40	Shippensburg	children's dresses
L. Grief Co.	25	Shippensburg	mens suit pants, slacks and vests
Tyco Electronics	153	Shrewsburg	injection molded components
Stanwood Mills	15	Slatington	greige goods
Allied Signal	78	Smethport	petroleum bulk waxes
Briggs Industries	80	Somerset	vitreous toilet tanks
Allied Signal Corp.	137	South Montrose	wire cable and harness
Osram Sylvania, Inc.	85	St. Marys	incandescent lightbulbs
C-Cor.Net	486	State College	cable television amplifiers
Precise Polestar	17	State College	injected molded plastic components
Yocom Knitting	19	Stowe	t-shirts
ICI Explosives USA	91	Tamaqua	detonators
J.E. Morgan Knitting Mills	8	Tamaqua	thermal underwear
Tect, Inc. Tect, Inc.	45	Temple	sewing tee-shirts sew, embroider,
Terre Ann	40	Terre Hill	women's sportswear, knit tops and pants

Adding Insult to Injury for Pennsylvania Workers

Company	NAFTA-TAA C e r t i f i c e d W o r k e r s	City	Product
C-Cor.Net	444	Tipton	elecommunication products
Tect, Inc. Tect, Inc.	33	Topton	sewing tee-shirts cutting t-shirts
Keystone Transformer Company		Trumbauersville	transformers
Turbotville Dress, Inc.	48	Turbotville	children's knitwear
Sensus Technologies	110	Uniontown	water meters
Louis Gallet	25	Uniontown	men's and women's sweaters
Sensus Technologies	3	Uniontown	low volume registers for water meters
Repap Technologies	30	Valley Forge	pulp and paper
Equitable Resources Energy Co.		Various locations in	natural oil and gas
Farr Company	50	West Hazelton	HVAC filters
Cott Manufacturing	8	West Mifflin	line identification markers
D.S. Knitting	21	White Mills	children's sweaters
Tarkett	15	Whitehall	vinyl flooring
Tarkett	3	Whitehall	vinyl flooring
500 Fashion Group		Whitehall	men's sport coats and suits
Intermetro Industries	80	Wilkes Barre	wire shelving products
Muskin Leisure Products	30	Wilkes-Barre	above ground swimming pools, etc.
Advantage Lift Systems	27	Williamson	in-ground vehicle hoists
American Standard Apparel Corporation	220	Williamsport	women's, men's and children's apparel
American Standard Apparel Corp.	70	Williamsport	women's apparel
ABB Automotive	27	Williamsport	cable and harnesses assemblies
American Standard Apparel Corp.		Williamsport	women's apparel
Alfred Angelo		Willow Grove	bridal & bridesmaids gowns
RHI Refractories America	52	Womelsdorf	magnesia refractories
Woolrich, Inc.	100	Woolrich	apparel; sportswear and outerwear
Danskin	230	York	women's activewear apparel
Blue Bird Fabrics	80	York	fabric
FCI Electronics	18	York	cable assemblies for computer
Dallco Industries	12	York	women's & girl's apparel
Nieder Inc.	10	York	fire hoses
Manitowoc Boom Trucks	7	York	pedestals, turrets
Vesuvius USA	133	Zelienople	alumina slide gate refractories
Collegeville Imagineering	76	Zionsville	halloween costumes
Cabot Oil and Gas		various locations	natural gas and oil

Endnotes

1. “NAFTA at Seven: Its Impact on Workers In All Tree Nations,” Economic Policy Institute, Apr. 2001.
2. The TAA program was created during the Kennedy administration to help pass a controversial trade bill and NAFTA-TAA was created to help pass NAFTA.
3. NAFTA-TAA benefits eligibility require that workers lose their employment as a result of increased imports from Mexico or Canada or relocation of production to Mexico or Canada. “Certification Under NAFTA-TAA,” General Accounting Office, letter to Senator John McCain, GAO/NSIAD-98-51R, Nov. 4, 1997 at 2.
4. However, while training benefits are available for as long as 78 weeks, income support is only available for 52 weeks under TAA programs — leaving workers without income while still potentially in retraining. (“Reforming Trade Adjustment Assistance: Keeping a 40 Year Promise,” Rosen, Howard, consultant to the Senate Finance Committee during 2001, white paper, Feb. 26, 2002, at 10.)
5. “The U.S. Trade Deficit: Causes, Consequences and Recommendations for Action,” U.S. Trade Deficit Review Commission, Nov. 14, 2000, at A39.
6. “The U.S. Trade Deficit: Causes, Consequences and Recommendations for Action,” U.S. Trade Deficit Review Commission, Nov. 14, 2000, at 163.
7. “Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs,” general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 10.
8. “House Sends Fast-Track Trade Bill To Conference, but Future Is Cloudy,” *Wall Street Journal*, Jun. 27, 2002.
9. House Roll Call No. 481, 107th Congress, 1st Session, Dec. 6, 2001.
10. House Roll Call Vote No. 317, 105th Congress, 2nd Session, Jul. 22, 1998; no vote was taken in 1997 because there was not support to pass Fast Track, the positions before the vote can be found at <http://www.citizen.org/documents/ACF1C2C.PDF>.
11. “Reforming Trade Adjustment Assistance: Keeping a 40 Year Promise,” Rosen, Howard, consultant to the Senate Finance Committee during 2001, white paper, Feb. 26, 2002, at 3.
12. Also, many workers laid off under NAFTA may apply instead for generic Trade Adjustment Assistance which provides the same benefits with easier administrative requirements. The United Auto Workers direct laid off workers to apply for TAA instead of NAFTA-TAA for this reason.
13. Public Citizen compared the percentage of the state’s NAFTA-TAA certification to the share of the state’s employment before NAFTA went into effect in 1994. The state employment distribution figures are from December 1993 and are found in “Unemployment in States: January 1994,” Department of Labor, Mar. 2, 1994.
14. Public Citizen used the geographical mapping software provided by the Bureau of the Census to determine the location of the NAFTA-TAA certification by Metropolitan Statistical Area (MSA). MSA’s are comprised of a set of counties, “Metropolitan Areas 1999,” Statistical Policy Office, Office of Management and Budget, Attachments to OMB Bulletin No. 99-04.
15. The Labor Department provides the NAFTA-TAA certification data coded by Standard Industrial Classification (SIC) codes, which divide the economy into similar industries. Public Citizen analyzed the SIC data by state to provide Table 2. A complete list of SIC codes can be found at <http://www.osha.gov/oshstats/sicser.html>.
16. “Certification Under NAFTA-TAA,” General Accounting Office, letter to Senator John McCain, GAO/NSIAD-98-51R, Nov. 4, 1997 at 8.
17. “Certification Under NAFTA-TAA,” General Accounting Office, letter to Senator John McCain, GAO/NSIAD-98-51R, Nov. 4, 1997 at 8.
18. “Standoff Over Workers’ Aid May Hinder Trade Measures,” *Los Angeles Times*, Apr. 17, 2002.
19. “Reforming Trade Adjustment Assistance: Keeping a 40 Year Promise,” Rosen, Howard, consultant to the Senate Finance Committee during 2001, white paper, Feb. 26, 2002, at 9.
20. “Certification Under NAFTA-TAA,” General Accounting Office, letter to Senator John McCain, GAO/NSIAD-98-51R, Nov. 4, 1997 at 5.
21. “Certification Under NAFTA-TAA,” General Accounting Office, letter to Senator John McCain, GAO/NSIAD-98-51R, Nov. 4, 1997 at 3.

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22. "Certification Under NAFTA-TAA," General Accounting Office, letter to Senator John McCain, GAO/NSIAD, - 98-51R, Nov. 4, 1997 at 5; Public Citizen analysis of Department of Labor NAFTA-TAA data.
23. "Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs," general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 10.
24. "Contingent and Alternative Employment Arrangements, February 2001," Bureau of Labor Statistics, May 24, 2001; "New Policy Clouds Future of Microsoft Temps," *Detroit News*, Jul. 1, 2000.
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26. "Quark Shifting Jobs to India," *Denver Post*, Apr. 5, 2002.
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28. "From Orchards to the Internet: Confronting Contingent Work Abuse," National Employment Law Project, Farmworker Justice Fund, 2002, at 30.
29. "Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs," general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 4.
30. "Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs," general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 4.
31. "Department of Labor: Status of Achieving Key Outcomes and Addressing Major Management Changes," General Accounting Office, Jun. 2001, GAO-01-779.
32. "Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs," general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 30.
33. "Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs," general Accounting Office, Report to the Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate, GAO-01-59, Oct. 2000, at 18.
34. "The U.S. Trade Deficit: Causes, Consequences and Recommendations for Action," U.S. Trade Deficit Review Commission, Nov. 14, 2000, at 166.
35. "A Pink Slip Away...Why Congress Should Subsidize Health Insurance for Laid Off Workers," Consumers Union, Oct. 22, 2001.
36. Trade Adjustment Assistance for Workers, Farmers, Communities and Firms Act of 2001, S.1209.
37. "Democrats, GOP Fail to Reach Accord on Health Items in Trade Bill; Floor Fight Set," *Bureau National Affairs*, May 2, 2002.
38. "Senate, White House Reach Trade Deal," *Associated Press*, May 9, 2002.
39. "Democrats, GOP Fail to Reach Accord on Health Items in Trade Bill; Floor Fight Set," *Bureau of National Affairs*, May 2, 2002.
40. "A Pink Slip Away...Why Congress Should Subsidize Health Insurance for Laid Off Workers," Consumers Union, Oct. 22, 2001.
41. "Calio Urges Quick Conference on Trade Bill, Silent on House Strategy," *Inside US Trade*, Jun. 21, 2002.
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