INCLUDE ALL WORKERS DISPLACED BY FEDERAL TRADE POLICIES IN THE TRADE ADJUSTMENT ASSISTANCE PROGRAM (TAA)

It is simply outrageous that transportation workers adversely affected by bad trade deals and reckless moves to outsource have been systemically denied benefits provided by the Trade Adjustment Assistance (TAA) program. The TAA program was created in 1962 and was designed to provide retraining, reemployment assistance, and income support to workers who lose their jobs due to federal trade policies. Yet from almost the beginning, TAA was under- funded, offered workers too little assistance, and excluded entire sectors of the economy, including transportation and service workers. While a strong TAA program can never justify the continuation of bad trade policies, Congress must move quickly to address loopholes in TAA and to ensure that transportation workers are fully covered by this basic safety net.

There is no doubt that workers in the transportation sector have suffered job loss and economic uncertainly due to unfair trade policies. U.S. airlines continue to ship millions of dollars worth of maintenance work to foreign aircraft repair stations. These facilities are not required to meet the same safety and security standards we demand of domestic operations and oversight has been cited in independent government audits as a major concern. Foreign stations certified by the Federal Aviation Administration, which now number almost 700, take advantage of low-cost labor and lax regulatory standards to siphon work from U.S. mechanics. Yet the TAA program does not cover workers affected by this misguided policy.

Workers in the aviation industry affected by the so-called "Open Skies" agreement with the European Union (EU) are likewise left with no protections. EU carriers and their governments will be pushing for further changes allowing them to control and own U.S. airlines. While this radical approach must be rejected, it underscores the threat from globalizing and outsourcing that these workers now face. The reality is that the TAA program has simply not kept pace with the changing global economy and its harmful effects on American workers.

In 2006, our nation's national passenger rail carrier, Amtrak, released a plan to outsource call-center work to companies overseas. While this plan was eventually shelved after strong Congressional and transportation labor opposition, it demonstrates the threats that transportation workers face every day as technology now allows this type of work to be outsourced to the lowest bidder, often offshore. And again, U.S. workers who would have lost their jobs in these circumstances have fallen outside the scope of the current TAA program.

Bus and truck drivers will also bear the brunt of unfair foreign competition as the current Administration seeks to open the border to unfettered operations by Mexico-domiciled carriers. In fact, the Bush Administration has continued to implement a Mexican Cross Border Pilot Program in the face of U.S. law barring them from moving forward. Trucks from Mexico are now hauling freight into various parts of the United States, and NAFTA stipulates that the relaxing of border restrictions be expanded to include motor coach operators.

Fortunately, Congress has taken steps to improve the TAA program. Last fall, the House passed a bill (H.R. 3920) reauthorizing the TAA program. The house-passed bill expands the TAA program to include service workers, including transportation workers, and it would allow entire industries to be certified in addition to individual companies.

The bill extends the definition of downstream producer to include service sector workers – including providers of transportation services. Should the TAA reform bill become law, U.S. motor coach drivers who could lose their jobs as a consequence of future expansion of the Federal Motor Carrier Safety Administration's Mexican Cross Border Pilot Program now would be able to file a petition to receive benefits. The influx of Mexican motor coach operators would be considered an imported service that has adversely affected domestic providers of motor coach transportation services.

The report language accompanying H.R. 3920 specifically cites airport-related services such as aircraft maintenance as service sector workers that would now be covered under the expansion of TAA in the bill. The expansion of the bill would now cover workers whose company closes a domestic operation, and contracts with a foreign company for the goods or services that had been produced here in the United States. Due in part to the inclusion of the expansion of benefits to service sector workers, President Bush issued a veto threat to the House-passed version of the bill.

In the Senate, Finance Chairman Max Baucus (D-MT) is pursuing a TAA reauthorization bill as well (S. 1848) that would cover transportation workers. Unfortunately, the legislation stalled last year due to Republican and White House opposition. Chairman Baucus has recently stated that passage of S. 1848 is his number one priority this year and that other items on the trade agenda would have to wait.

Trade-related job loss does not just hurt individual workers and their families. Entire communities are negatively affected as tax revenues fall, dependency on public assistance increases, and incomes stagnate. As off-shoring and job loss spreads to sectors with higher technology and skills that drive innovation and productivity, the long-term competitiveness of the American economy is put at risk. Providing assistance to workers harmed by the impact of globalization is not a substitute for fair and sound trade policy – but transportation labor will advocate for a modernized TAA program that ensures American workers are not ignored as our government and corporations pursue market-opening initiatives abroad.

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