



Committee On Finance

Max Baucus, Ranking Member

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SENATOR NOTES GAPS IN TRACKING TRADE ADJUSTMENT ASSISTANCE

*New report cites incomplete information on program for workers displaced by trade;
TAA authorization set to expire in 2007*

Washington, DC – A GAO report released today reveals significant gaps in information on how effectively the Trade Adjustment Assistance (TAA) program is serving American workers who lost their jobs due to international trade. U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate committee that oversees trade and TAA, requested the report last year along with Committee Chairman Chuck Grassley (R-Iowa). The GAO found that states track TAA performance in different ways and report different information back to the U.S. Department of Labor. Current methods of counting workers in the program and monitoring their progress may lead to inaccurate reporting of the percentage of workers who receive training, and underreporting of workers who participate and find new jobs. Baucus said today that better information will be essential to an effective reauthorization of the program by Congress in 2007.

“Incomplete, inaccurate information could make it difficult for the Finance Committee to make the right adjustments to TAA when reauthorization comes up next year,” said Baucus. **“For the sake of this program’s success, the Labor Department should take GAO’s findings to heart and start closing information gaps.”**

The full GAO report (GAO-06-496) is attached here and will be posted today at www.gao.gov. In light of its findings, GAO has recommended that the Department of Labor clarify its reporting and documentation requirements to all states, and help states improve their information processing for TAA. Furthermore, the GAO suggested increased information sharing among states and more detailed information for program managers to run TAA more effectively. The Labor Department did not disagree with any of the GAO’s findings or recommendations.

Trade in goods and services accounts for more than a fifth of America’s economic growth since 1950. On average, each American household receives about \$9,000 in extra income through the higher-paid jobs and lower-priced consumer goods that trade makes possible. Baucus has worked to improve and expand the TAA program to help workers negatively affected by trade. He has introduced legislation to expand TAA to service workers and small businesses and to provide health care and wage insurance to displaced workers as well.

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