



**Statement of Mr. McCrery**  
**Committee on Ways and Means**  
**Mark-up on TAA and Globalization Legislation (H.R. 3920)**  
**October 24, 2007**

*(remarks as prepared)*

Mr. Chairman, Trade Adjustment Assistance is an important program for helping workers adversely affected by trade, and I support its extension. At the outset, I would note that we should be considering TAA today in the context of initiatives to expand trade for American businesses, workers, and farmers, for example through the four pending FTAs and Trade Promotion Authority.

TAA has been successful in helping many adjust to trade, but it can and should be reformed. The Republican bill, which we discussed at our caucus last week and I plan to offer as an amendment today, would: (1) get people into training more quickly – even before layoff; (2) allow them to train part-time – not just full-time as required by current law; (3) enable participants to choose between more training programs; (4) authorize grants for training providers to build their capacity to train participants; and (5) provide training scholarships that can be used over four years.

The amendment I plan to offer also would increase the federal share of the HCTC benefit from 65 to 70 percent. Significantly, it would continue the permanent HCTC program, whereas the Chairman's amendment in the nature of a substitute would terminate it in two years.

The Republican bill also recognizes that TAA is only one tool in the toolbox for addressing the effects of globalization and change. Accordingly, our bill allows States to apply for cost-neutral waivers of unemployment insurance rules to operate wage insurance programs to better help all laid off workers get back to work, among other changes.

While the Republican bill would better integrate TAA and other existing programs to make more services available to all workers, the Democratic bill would perpetuate and even inflate current inefficiencies while expanding TAA and its costs. The Democratic bill also contains unacceptable policies, such as: (1) expanding TAA to cover government employees, making it costly to deliver services more efficiently; and (2) requiring TAA be administered by certain state employees, thereby limiting the range and quality of services available.

I also want to express my opposition to paying for the bill by delaying the interest allocation rules first enacted in 2004. Those changes made good sense then and still do. When implemented, they will address an unfairness in current law that can subject American companies doing business abroad to double taxation on their foreign income. The provision is opposed by groups like the Chamber of Commerce, the National Association of Manufacturers, and the National Foreign Trade Council.

In addition to delaying the implementation of good policy, I fear this will become the revenue raising version of Charlie Brown trying to kick a football – every time we get close to the effective date, Congress will “raise” some money by delaying it for another year or two.

We owe it to all Americans to craft a bipartisan approach that would cost-effectively reform TAA and other programs to help workers adapt in this increasingly global economy. I regret that the Chairman’s amendment in the nature of a substitute does not reflect such a bipartisan approach either to TAA or to our trade agenda beyond the Peru agreement, and hence I cannot support it.

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