

## Trade Adjustment Assistance 2013

### Changes loom as number of certified workers ticks up

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The Trade Adjustment Assistance (TAA) program is the gold standard in dislocated worker services. While no program can fully mitigate the full effects of a mass layoff, TAA has helped stabilize communities and families impacted by trade. TAA is a comprehensive set of supports for dislocated workers. In fiscal year 2012, an estimated 81,510 workers were covered by TAA certifications.<sup>1</sup> More than 70 percent of TAA exiters entered employment, and the program logged an employment retention rate over 90 percent.<sup>2</sup>

TAA has been an important program for worker and family stability in Ohio, generally providing retraining assistance, a wage subsidy, job search assistance, health insurance tax credits, relocation assistance, and other unemployment benefits. The number of Ohio workers certified under TAA hit record highs in 2009 and fell sharply as the recession ended. Unfortunately, the number of Ohio TAA-eligible workers rose slightly in 2012, even though the overall number of petitions filed and certifications fell. One petition, RG Steel in Warren, accounted for nearly 30 percent (1,011) of the total number of estimated workers impacted by trade.

TAA, the nation's most comprehensive dislocated worker program, has untapped potential. Since the 2007 recession, the program has been covered by three different sets of guidelines: the 2002, the 2009, and the current 2011 law.<sup>3</sup> When governed by consistent, reasonable rules, TAA reaches more workers and permits states to build capacity around outreach. Current eligibility and benefit rules are set to expire at the end of this year, and the program's appropriation will expire at the end of 2014. The program needs internal stability and consistency of rules. The TAA Extension Act of 2013 would extend the current rules and reauthorize appropriations through 2020. The Act has been in Senate Committee without action since July 2013.

#### Key findings and recommendations

- Nationally, TAA certified more than 81,500 workers in fiscal year 2012. More than 70 percent of exiters found jobs and more than 90 percent of those stayed employed for at least nine months.
- In Ohio, the estimated number of certified workers increased slightly in 2012, while the number of petitions filed and certified fell slightly.
- Congressional action is needed to maintain TAA eligibility for service sector workers and workers losing jobs to nations without a free trade agreement or not covered in one of three trade acts.
- TAA needs rational, consistent rules to support Ohio workers and communities.

<sup>1</sup> US Department of Labor, 2012 National TAA Program Statistics, available at <http://1.usa.gov/1c6T0UN>, last accessed Nov. 12, 2013. FY 2012 covers October 1, 2011-September 30, 2012. This report covers calendar year 2012.

<sup>2</sup> *Id.*

<sup>3</sup> See United States Department of Labor, Trade Adjustment Assistance for Workers, Side by Side, available at [www.doleta.gov/tradeact/pdf/side-by-side.pdf](http://www.doleta.gov/tradeact/pdf/side-by-side.pdf), last accessed October 31, 2013.

## Eroding certification

If current rules are allowed to expire, TAA will lapse to its restrictive 2002 rules. Without Congressional action, starting in January 2014 only manufacturing workers will be eligible. Workers losing their jobs due to a shift in production or outsourcing also will have to show that the work went to a country with which the U.S. has a free trade agreement or is a beneficiary in a preferred trade act.<sup>4</sup> Workers losing jobs because of outsourcing to China will no longer be TAA eligible. The current program rules are more closely aligned with the realities of trade, and cover service sector workers, workers injured by a certified market disruption, and imports and outsourcing to all nations.<sup>5</sup> Table 1 lists key differences in current eligibility rules and the coming changes.

	Current eligibility	2013 cutback
<b>All Cases</b>	Three or more workers in a small firm, or 5 percent of large-firm workers totally or partially separated	Same separation requirements
	Production workers and service workers eligible	Only production workers eligible
<b>Import-impacted workers</b>	Sale or services or production decreased, and imports increased from a competitive firm, or imports of competitive component parts increased	Only production workers affected by production decrease are eligible
	Increase contributed to the decline in sales or production	
<b>Shift in production/outsourcing</b>	Firm has shifted production or services directly competitive with those of the petitioning workers to a foreign country, or has acquired the same from foreign country	Only production workers eligible, and only those affected by shifts to countries with which U.S. has a free trade agreement or is a beneficiary country under three trade preference acts
	The shift contributed to workers' layoff	
<b>Secondary workers</b>	The impacted firm is a supplier or downstream producer to a TAA-certified firm	Only production workers affected by production decrease are eligible
	The sale or production to the TAA firm was at least 20 percent of the sales or production of the supplier firm, or the loss of the TAA firm contributed to the workers' layoffs.	

**Source:** Benjamin Collins, Congressional Research Service, Trade Adjustment Assistance for Workers, Dec. 17, 2012, at <http://bit.ly/Wn1v8v>.

<sup>4</sup>*Id.* US has trade agreements in force with 20 nations. Under 2002 rules, TAA would only extend to workers impacted by trade with these nations: Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Singapore. *See*, United States Trade Representative, Free Trade Agreements, available at [www.ustr.gov/trade-agreements/free-trade-agreements](http://www.ustr.gov/trade-agreements/free-trade-agreements), last accessed November 13, 2013. Beneficiary nations of the Andean Trade Preference Act, the African Growth and Opportunities Act, and the Caribbean Basin Economic Recovery Act will also be eligible.

<sup>5</sup> *Id.*

Without Congressional action, the rules will revert back to the unaccommodating restrictions on January 1, 2014. This occurred in 2011, and will likely happen again. Many trade-impacted Ohio workers will be left behind. The largest service connected petition in 2012 covered 324 Cincinnati Bell workers in Hamilton County. The workers provided customer service and support. The calls were transferred to a call center in the Philippines.<sup>6</sup> These workers would not be TAA-certified in 2014. We estimate that if the 2002 rules had applied in 2012, a majority of Ohio petitions (36), covering more than 900 workers would have been ineligible for TAA certification.<sup>7</sup>

### Cutbacks on benefits

Even with the recent modifications, TAA remains the most comprehensive program for the unemployed in the nation. Trade-impacted workers in Ohio and throughout the nation should have the most responsive TAA program possible. Preventing a relapse to the 2002 rules and seeking early reauthorization would provide needed certainty for those administering the program and workers seeking service.

Obtaining TAA benefits is a two-step process. First, a petition has to be filed with the U.S. Department of Labor's Trade Adjustment Assistance Program by a group of three or more workers, an employer, state workforce official, an OhioMeansJobs center, or a union. The U.S. Department of Labor (DOL) will then investigate whether trade was the cause of job separation.<sup>8</sup> If DOL determines that workers meet requirements then a certificate is issued. After certification, each individual has to apply for benefits. Managers at the one-stop job center, in Ohio the local OhioMeansJobs center, will then issue individual TAA benefits.<sup>9</sup>

#### A note about the data

*The DOL makes TAA petitions publicly available online. This report compiles and analyzes data from these petitions.*

*Some of the petitions provide only vague estimates. The number of impacted workers is a particularly troublesome entry in the petitions, as is the identification of the competing country. Several petitions said "overseas" as the country, or when they are estimating the number of workers, they may say "around ten". We relied on supplemental data from the Ohio Department of Job and Family Services (ODJFS) to fill in missing data points.*

*The estimated number of impacted workers is from a separate employer list maintained by ODJFS. In some cases the petition was predicated upon a threat of job losses, but when ODJFS requested the worker list, no one had yet been laid off. In some cases, the layoffs never occur as companies reassign work.*

*Finally, this report only reflects the number of impacted workers due to trade certified for TAA. This does not reflect the actual number of workers who are negatively impacted by trade in Ohio. The report underestimates the trade impact because it does not incorporate the number of jobs that are indirectly lost due to trade. Nor are all affected workers employed at workplaces where an application for TAA benefits is filed.*

<sup>6</sup> Even if the workers were engaged in production they would be ineligible next year. The U.S. trades with the Philippines under the auspices of a Trade and Investment Framework Agreement, which is not a formal free trade agreement. See, Office of the U.S. Trade Representative, Country Facts, retrieved from <http://1.usa.gov/zqUcQp>, Nov. 18, 2013.

<sup>7</sup> Policy Matters Ohio, analysis of DOL and ODJFS TAA data. Eliminated petitions covering service workers, or showed that jobs went to countries not part of a free trade agreement or a preferred trade act. Those petitions were counted in the 2012 total. Many petitions did not include a specific competing nation. Several petitions listed two or more nations as competitors. If one of the nations would qualify under the new rules, the full petition was left in the certification count. For those reasons, this is very likely an underestimate of the number of petitions and workers that would have been excluded under the 2002 law.

<sup>8</sup> United States Department of Labor, "Trade Adjustment Assistance Petition Process," *United States Department of Labor*, last modified June 27, 2012, last accessed July 15, 2013.

<sup>9</sup> See, Ohio Department of Job and Family Services, TAA FAQ, available at <http://1.usa.gov/zqUcQp>, last accessed October 31, 2013.

The benefits for dislocated workers through TAA were last amended in 2011. The 2011 law cut benefits compared to the prior authorization in 2009 but provided a more comprehensive menu of supports than the 2002 rules. There are two key benefits of TAA. The fundamental component of the program is a wage subsidy called a Trade Readjustment Allowance (TRA), a weekly payment to workers enrolled in training who have exhausted unemployment benefits.<sup>10</sup> Benefits are the same as the worker's final unemployment benefit payment. TRA makes it possible for workers to complete retraining programs.<sup>11</sup> Workers may get an extension of benefits in special circumstances.

Reemployment Trade Adjustment Assistance (RTAA) is a wage supplement for workers age 50 and over who are reemployed at a lower wage.<sup>12</sup> The program pays the difference between the old and the new wage. The benefit is capped at \$10,000 over two years and is not available to workers with a new income exceeding \$50,000.<sup>13</sup> RTAA helps workers near retirement have stability after losing their long-term and often better-paid job to trade.

Without Congressional action the benefits available to dislocated workers will be cut back at the end of 2013. Overall, there will be less money for training assistance, case management, and employment services, training will be restricted to full-time and deadlines for entering training and employment will be shortened. Table 2 shows how key TAA benefits will change.

Dislocated worker benefit	Current benefit	2014 Cutback
<b>Training Assistance, Case Management, Employment Services</b>	Capped at \$575 million per year Training may be approved for full or part-time	Capped at \$220 million per year Training must be full-time
<b>Trade Readjustment Allowance (TRA)</b>	Worker must be enrolled in training by 26 weeks after certification or layoff, whichever is later	Worker must be enrolled in training by 8 weeks after certification or 16 weeks after layoff, whichever is later
<b>Health Coverage Tax Credit</b>	Refundable tax credit equal to 72.5 percent of health care premiums No time limit on reemployment.	Expires Workers must be reemployed within 26 weeks.
<b>Reemployment Trade Adjustment Assistance (RTAA)</b>	Workers reemployed on a part-time basis and enrolled in a TAA-sponsored training program are eligible	RTAA participants no longer eligible for TAA-sponsored training, no longer able to combine training and part-time work

**Source:** Benjamin Collins, Congressional Research Service, Trade Adjustment Assistance for Workers, Dec. 17, 2012, at <http://bit.ly/Wn1v8v>.

## Worker Impact

Last year, an estimated 3,514 Ohio workers were certified through the TAA program. The estimated number of impacted workers increased by 13.2 percent from 2011 to 2012. Though the recent trend

<sup>10</sup> Benjamin Collins, Congressional Research Service, Trade Adjustment Assistance for Workers, p. 8, Dec. 17, 2012, available at <http://www.fas.org/sgp/crs/misc/R42012.pdf>.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at p. 10.

<sup>13</sup> *Id.*

suggests that the state continues to struggle against the negative impacts of trade, 2012 is still significantly better than the program peaks during the 2007 recession.

Even though more workers were certified in 2012 than in 2011, there were slightly fewer petitions certified in 2012 than in 2011. Fifty-four Ohio TAA petitions were certified in 2012, an over-the-year decrease of three petitions. The number of certified petitions has dramatically decreased, by 177, since the program peak in 2010.

The total number of petitions decided by the Department of Labor has also significantly decreased since the program peak of 278 in 2010. It is not surprising that 2010 would be a peak year. The effects of the 2007 recession were still being felt in Ohio and the more realistic 2009 rules were set to expire early 2011. In 2012, just 67 Ohio petitions were decided by the Department of Labor. Table 3 shows these key indicators by year.

Calendar year	Total petitions decided	Certified petitions	Percent certified*	Estimated number of certified workers
2005	90	50	55.6%	3,036
2006	123	78	63.4%	10,518
2007	111	76	68.5%	9,713
2008	140	95	67.9%	15,395
2009	247	137	55.5%	16,924
2010	278	177	63.7%	14,519
2011	80	57	71.3%	3,103
2012	67	54	80.6%	3,514
<b>Total</b>	<b>1134</b>	<b>723</b>	<b>63.8%</b>	<b>77,599</b>

**Source:** Policy Matters Ohio analysis of US Department of Labor and ODJFS data. \*The percentage certified is the percent of decisions issued by the DOL in the year that they are certified. It should not be read as the share of the petitions filed in a year that certified because petitions may not be decided in the same year that they are filed.

## Petition processing time

The average processing time for Ohio petitions was cut by 25 days. The average TAA petition took about 48 days to be certified in 2012, down from an average of 73 days last year. This is good news since reducing the process time reduces the time workers are without the full benefits of the TAA program, including training assistance. It is particularly good news that the time continues to decrease even without a large decline in the number of petitions being filed. The processing time decreased in 2011 and 2012 compared to its peak of 121 days in 2010. However, the average processing time is still higher than in 2008, which was a recession year.

In 2012, the certification with the longest processing time covered LexisNexis workers in Montgomery County. The petition took 215 days to certify and covered an estimated 11 workers.<sup>14</sup>

<sup>14</sup> News reports at the time of the event estimated that the shift would result in 500 layoffs across four offices. See, Joe Cogliano, "Lexis Nexis cuts 500 jobs, Report says," Dayton Business Journal, July 29, 2012, available at [www.bizjournals.com/dayton/news/2013/07/29/lexisnexis-cuts-500-jobs-report-says.html](http://www.bizjournals.com/dayton/news/2013/07/29/lexisnexis-cuts-500-jobs-report-says.html), last accessed Nov. 18, 2013.

The petition was part of a larger company-wide petition originating from Colorado and was subject to reconsideration, both factors that likely extended the investigation time. The workers produced legal publications and were engaged in quality and metrics work. This work was sent to a firm located in the Philippines.

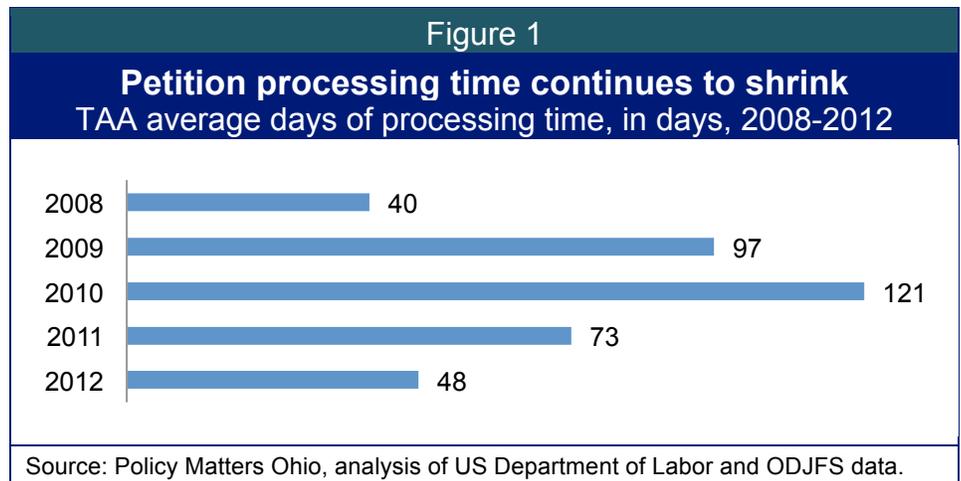
Notably, these workers would be ineligible if their petition were filed after January 2014. While workers are waiting on certification, they can receive regular unemployment insurance benefits, but they are not eligible for the more robust TAA benefits that target reemployment like training subsidies.

### Top 20 Ohio TAA certifications

In 2012, the largest 20 TAA certifications accounted for the majority of the worker impact, covering an estimated 3,031 workers, more than 86 percent of all estimated impacted workers. Manufacturing continues to dominate the top 20 list, but two service sector petitions are on the list. The Newell Rubbermaid certification covered 79 workers at a Wayne County distribution center, who lost their job due to a shift in supply. The second service petition in the top 20, AISS/Sterling Infosystems covered 39 workers in Summit County. These workers provided employment background checks. This work was outsourced to India. A separate AISS/Sterling Infosystems petition covered 33 workers in Cuyahoga County.

The 2011 top 20 were solidly manufacturing.<sup>15</sup> The 2002 law, which was in place for part of 2011, did not allow service workers to certify. Eventually, the DOL reopened petitions denied during the lapse, but its not known how many petitioners were discouraged from making an initial filing. Trade has evolved so that no sector of work is untouched. There is no reason to limit the program to the manufacturing sector; it is important that continuing authorizations of TAA include these workers as there is a very real trade impact.

Table 4 lists the twenty companies that had the most impacted workers. The largest single certification covered workers at RG Steel Warren LLC, which is located in Warren, Ohio. RG Steel Warren LLC cited that imports from foreign countries were the main reason for the layoffs.



<sup>15</sup> See, Hannah Halbert, Trade Adjustment Assistance in Ohio, Policy Matters Ohio, October 2012, available at [www.policymattersohio.org/trade-oct2012](http://www.policymattersohio.org/trade-oct2012), last accessed Nov. 18, 2013.

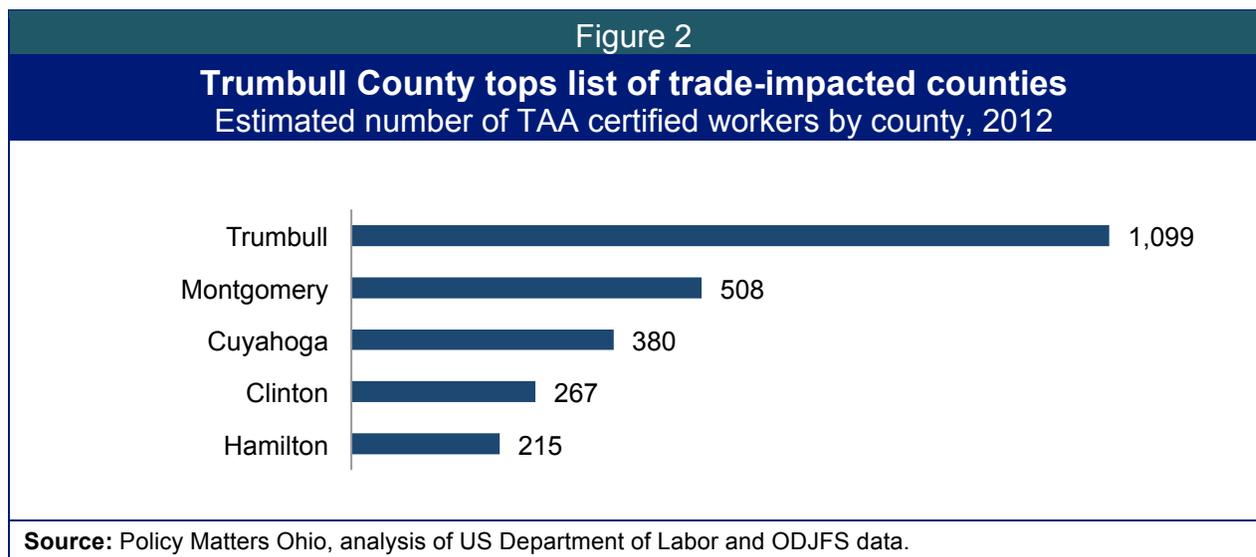
Table 4					
<b>Manufacturing dominates job losses, service sector moves into top spots</b>					
Top 20 Ohio TAA certifications, 2012					
	Company	Industry	City	County	Workers*
1	RG Steel Warren, LLC	Production of rolled steel	Warren	Trumbull	1,011
2	Appleton Papers, Inc. Subsidiary of Paperweight Development Corp.	Production of carbonless and thermal papers	West Carrollton	Montgomery	324
3	Goodrich Landing Gear	Production of aircraft landing equipment	Cleveland	Cuyahoga	241
4	American Showa, Inc.	Production of power steering systems	Blanchester	Clinton	163
5	MTD Consumer Group, Inc.	Production of lawn and garden power equipment	Valley City	Medina	136
6	Cincinnati Bell Telephone Company, LLC	Provides telephone, video, internet services	Norwood	Hamilton	136
7	Ormet Primary Aluminum Corp.	Production of aluminum and aluminum products	Hannibal	Monroe	130
8	Systemax Manufacturing, Inc.	Production of personal computers	Fletcher	Miami	124
9	Fortis Plastics, LLC	Production of thermoplastic manufactured parts	Wilmington	Clinton	104
10	Epic Technologies, LLC	Production of electronic printed circuit boards	Norwalk	Huron	88
11	Simclar, Inc.	Production of printed circuit boards	Dayton	Montgomery	80
12	Newell Rubbermaid	Distribution center	Wooster	Wayne	79
13	The Genie Company	Production of wood window and doors	Alliance	Stark	75
14	Alternative Management Resources	Temporary production workers to Cooper Standard	Findlay	Hancock	71
15	Cooper Standard Automotive	Production of seals for windows/doors	Bowling Green	Wood	59
16	Diebold Incorporated	Production of ATM's and security products	North Canton	Stark	46
17	Avon Products, Inc.	Production of beauty and cosmetic products	Springdale	Montgomery	45
18	Tower Automotive, LLC	Production of frames for the Ford Ranger	Bellevue	Sandusky	40
19	Senco Brands, Inc.	Production of fasteners and power fastening tools	Cincinnati	Hamilton	40
20	AISS/Sterling Infosystems	Information services, background checks	Fairlawn	Summit	39
<b>TOTAL</b>					<b>3,031</b>

**Source:** Policy Matters Ohio, analysis of US Department of Labor and ODJFS data. \*Estimated.

Eleven of the top 20 petitions cited a shift in production as the cause for certification. Seven of the top twenty petitions cited import competition as causing the job loss.<sup>16</sup> An additional nine cited shifts in production to foreign locations.<sup>17</sup> Two certifications covered secondarily impacted, upstream workers.<sup>18</sup>

### TAA certifications by county

Trumbull County had the highest number of impacted workers (1,099), nearly all from the RG Steel petition. Montgomery County, which is home to Dayton, filed the most petitions in 2012 (seven) and had 508 impacted workers. Other counties with large numbers of impacted workers are as follows: Cuyahoga (380),<sup>19</sup> Clinton (267) and Hamilton (215).<sup>20</sup> Figure 2 shows the counties with the highest estimated number of impacted workers.



Not surprisingly, large urban counties had the largest number of petitions in 2012. Montgomery County had the highest number of certifications with seven, covering an estimated 508 workers. Cuyahoga County had six petitions and was named in a 7<sup>th</sup> multi-county petition, all of which covered an estimated 308 workers. Hamilton County had six certifications covering 215 workers. Trumbull had five certifications covering 1,099 workers. Franklin and Stark Counties both had four certifications, covering 65 and 140 workers respectively. Appendix A ranks Ohio counties by the number of TAA petitions filed since 2005.

<sup>16</sup> Shift in production: Goodrich Landing Gear, American Showa, MTD Consumer Group, Cincinnati Bell Telephone, Epic Technologies, Newell Rubbermaid, Genie Doors, Cooper Standard Automotive, Avon Products, Sensco Brands, AISS/Sterling Infosystems.

<sup>17</sup> Imports: RG Steel Warren LLC, Appleton Papers, Inc., Subsidiary of Paperweight Development Corporation, Ormet Primary Aluminum Corporation, Systemax Manufacturing, Inc., Simclar, Inc., Alternative Management Resources, and Diebold Incorporated.

<sup>18</sup> Secondary Impact: Fortis Plastics, Tower Automotive.

<sup>19</sup> Includes three workers listed in a petition that covered Cuyahoga, Summit and Stark Counties.

<sup>20</sup> For complete county data see Appendix A.

## Certifications by petitioner type

A union, a group of three or more workers, the company, or the state can file a TAA petition with the DOL. In 2012, companies filed the most petitions (27) accounting for half of all 2012 petitions. Workers filed the second most (15), followed by unions (nine) and State/One-Stop centers (three). The state significantly decreased its filings in 2012 compared to 2011.<sup>21</sup> In 2011, the state accounted for 29.8 percent of all petitions.<sup>22</sup> In 2012, they only accounted for just 6 percent of filed, certified petitions.

## Certifications by sector

The majority of Ohio's certifications (33) came from the manufacturing sector. These petitions covered an estimated 3,038 workers. The service industry had a total of 21 petitions, but these impacted fewer than five hundred (476) workers. This means that 86.5 percent of impacted workers were in the manufacturing sector. While the manufacturing sector continues to bear the brunt of trade, the service sector is certainly impacted in Ohio. Our TAA policy should reflect the reality of trade by continuing to assist these workers.

## Certifications by industry

Sorting the petitions by industry also highlights trade impact on service workers. Telecommunications, which are service-related firms, filed the most petitions of any particular industry in 2012 with seven. These petitions covered more than 200 service workers at Verizon and Cincinnati Bell locations in four counties.<sup>23</sup> These service workers were certified due to outsourcing of work to India and the Philippines. Other service industries were in the top 10: Insurance carriers, and related activities took the third spot with five petitions covering 52 workers. Three petitions covering 39 workers fell in the industry category of providing professional, scientific, and technical services. Three petitions covering 143 administrative and support services workers rounded out the top ten. These petitions would not have been certified under the 2002 rules and similar worker groups will not likely be eligible if the current rules are allowed to lapse.

Six of the 10 industries certified in 2012 were in manufacturing. The industry with the largest estimated number of certified workers was in primary metal manufacturing, four certifications covered 1,181 workers. Table 5 ranks the top ten industries certified in 2012, by number of certifications.

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<sup>21</sup> The state ended a long-standing contract with the United Labor Agency in August 2012. The contract covered statewide rapid response services, including TAA. Given the change in the number of petitions filed by the state in 2012, this should be revisited. For more information on the Rapid Response change, *see*, Hannah Halbert, "Wrong Direction: the state retreats on layoff aversion," Policy Matters Ohio, September 2012, available at [www.policymattersohio.org/rapid-response-sept2012](http://www.policymattersohio.org/rapid-response-sept2012), last accessed November 25, 2013.

<sup>22</sup> Hannah Halbert, "Trade Adjustment Assistance in Ohio," Policy Matters Ohio, October 2012, available at [www.policymattersohio.org/trade-oct2012](http://www.policymattersohio.org/trade-oct2012), last accessed July 15, 2013.

<sup>23</sup> Counties covered include: Erie, Warren, Franklin (2 certifications), and Hamilton (2 certifications).

Table 5				
Top 10 Ohio industries with the most TAA certifications, 2012				
Certified petitions by industry				
North American Industry Classification System (NAICS)	Industry	Number of Certified Petitions	Estimated number of workers	
1	517	Telecommunications	7	202
2	334	Computer and Electronic Product Manufacturing	5	349
3	524	Insurance Carriers and Related Activities	5	52
4	331	Primary Metal Manufacturing	4	1,181
5	326	Plastics and Rubber Products Manufacturing	4	378
6	333	Machinery Manufacturing	4	69
7	335	Electrical Equipment, Appliance, and Component Manufacturing	4	67
8	336	Transportation Equipment Manufacturing	3	422
9	541	Professional, Scientific, and Technical Services	3	39
10	561	Administrative and Support Services	3	143

Source: Policy Matters Ohio, analysis of US Department of Labor and ODJFS data.

### Causes of certification

Outsourcing was the primary cause of TAA certification in 2012. Of the 54 certified petitions, 34 of them were due to a shift in production to a foreign location. This impacted a total of 1,428 workers. Half of the petitions certified because of a shift-in-production were service sector firms. These certifications covered 436 workers. The additional 17 shift-in-production certifications covered an estimated 992 workers.

Import competition was cited in 18 certifications. Imports impacted an estimated 1,942 workers, just slightly more than the number covered due to outsourcing. Most (14) petitions certified because of an increase in imports were in the manufacturing sector. This affected 1,902 manufacturing workers. The remaining four petitions were in the service sector and covered 40 workers. Two firms (Tower Automotive and Fortis Plastics, LLC) received certification because they were secondary affected workers that produced goods and services for trade-impacted, certified firms. Table 6 shows these data.

Table 6		
Outsourcing responsible for most 2012 certifications, but imports hurt more workers.		
Ohio TAA certifications by cause, 2012		
Cause	Number of petitions	Estimated number of workers
Shift in production	34	1,428
Imports	18	1,942
Secondary impact	2	144

Source: Policy Matters Ohio analysis of Ohio Department of Job and Family Services data.

Petitions made available by DOL sometimes include the location to which production was shifted. Eighteen of the certifications did not state where the work was relocating or the source nation of the competing imports and gave a general remark like “overseas.” For the companies that did provide a location, the data are displayed in Table 7.

Table 7		
<b>Philippines topped list of competition regions</b>		
Most cited nation or region in certifications where countries were listed		
Country or region	Petitions	Estimated number of workers
Philippines	7	200
India	7	192
China	5	59
Mexico	3	175
Canada	2	259
Serbia	2	130
Brazil	1	29
Finland	1	28
Multiple (Japan, Thailand)	1	163
Multiple (Mexico, Asia)	1	124
Multiple (Denmark, Mexico, India, Costa Rica)	1	104
Multiple (India, Philippines)	1	6
Multiple (Czech Republic, Slovakia)	1	3
Multiple (India, Brazil)	1	3

**Source:** Policy Matters Ohio analysis of Ohio Department of Job and Family Services data.

The Philippines and India were most frequently listed as the outsourcing destination or import source. Canada was connected to the greatest number of certified workers in 2012, 259. In 2011, China brought in the most jobs from Ohio with 308, while Canada brought in only 19.

## Conclusion

The TAA program has been a valued resource in retraining, educating and providing benefits to workers who lose their jobs due to trade. Since 2005, more than 76,500 workers have been certified for TAA in Ohio. Since the recession ended, there has been a welcome drop in the number of Ohio workers certified for the program. In 2012, the estimated number of certified workers crept up slightly from 2011 numbers, a reminder that trade has a heavy influence on Ohio's economy.

The 2012 data also demonstrates that trade affects a variety of work in Ohio, not just manufacturing. Twenty-one of Ohio's TAA certifications covered service sector work. Much of that service work was lost due to direct outsourcing. It is nearly certain that Congress will allow the current rules to lapse, and the 2014 program will see drastic cuts to TAA eligibility. In 2014, TAA eligibility will only cover manufacturers; workers impacted by outsourcing will only be covered in their job relocated to a signatory nation to a free trade agreement or a beneficiary nation under one of three trade acts. These rules are arbitrary. Whether the job lost produced door seals or provided customer service, the impact on the community and the family is the same. There are fewer jobs, fewer workers, and a greater need for retraining in growing industries.

TAA could play a much larger role in strengthening Ohio's workforce. The program already provides the most comprehensive set of income and training supports available to dislocated workers. A consistent set of guidelines would allow the state workforce development system to build capacity around TAA, rather than juggling almost annual changes in eligibility. Consistent program rules would provide the stability needed to develop targeted outreach on retraining, better relationships with employers and labor organizations, and a more comprehensive response to trade-initiated mass layoffs. Maintaining consistent rules around TAA is nearly impossible as long as the program remains a bargaining chip contingent on the approval of new free trade agreements or the congressional extension of fast track authority. Extending the current rules through 2020 would be a significant step toward realizing the program's full potential.

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