

A REPORT FROM

---

# POLICY MATTERS OHIO

---

---

INTERNATIONAL  
TRADE AND  
JOB LOSS  
IN OHIO –  
AN UPDATE

---

JON HONECK, PH.D.  
OCTOBER 2004

### **Author**

Research Analyst Jon Honeck has a Ph.D. in Political Science from the University of Wisconsin-Madison, where his dissertation focused on industrial policy in Ohio. At Policy Matters, he has researched economic development, workforce development and trade issues. Before coming to Policy Matters, he researched labor and economic development issues for the Ohio Legislative Service Commission.

### **Acknowledgements**

Laura Benesh, Christine Haley-Medina, and Emily Lane provided research assistance for this report. Other Policy Matters staff also reviewed or assisted with the document. The U.S. Department of Labor, Employment and Trade Administration provided Trade Adjustment Assistance data that made the report possible.

**Policy Matters Ohio**, the publisher of this study, is a nonprofit, nonpartisan statewide research institute dedicated to bridging the gap between research and policy in Ohio. Policy Matters seeks to broaden the debate about economic policy in Ohio, by providing quantitative and qualitative analysis of important issues facing working people in the state. Other areas of inquiry for Policy Matters have included unemployment compensation, workforce policy, wages, education, housing, tax policy and economic development. For funding of the institute, we are grateful to the George Gund Foundation, the St. Ann Foundation, the Nord Family Foundation, the Stern Family Fund, and Greater Cleveland Community Shares.

## Executive Summary

Job losses in the manufacturing sector are the major cause of decline in the total number of jobs in Ohio. The sudden and dramatic decline in manufacturing has devastated laid-off workers, their families, and communities around the state. This report updates a Policy Matters Ohio study entitled *International Trade and Job Loss in Ohio* that was released in February 2004. That report used data from the Trade Adjustment Assistance (TAA) program to calculate a **minimum estimate** of trade-related job losses in the manufacturing sector. The TAA program provides benefits to workers in the manufacturing sector who lose their jobs due to international trade. In response to a petition requesting certification, the U.S. Department of Labor investigates in order to ascertain whether or not the workers were laid off for a trade-related reason. If the petition is certified, workers are eligible to apply for trade adjustment assistance. Administrative program data track the number of workers at each affected workplace.<sup>1</sup>

The TAA program certified 52,265 Ohio workers as having lost their jobs for trade-related reasons between January 1995 and July 2004. The majority of these certifications (32,118 or 61.5%) occurred since January 2001.

This update uses TAA program data from November 2003 through July 2004. Other central findings of this update are:

- Trade-related job loss continues to be a significant factor in reducing manufacturing employment in Ohio. From January 1999 to January 2004, TAA certifications accounted for 19% of the net decline in Ohio's manufacturing employment. If this process continues indefinitely, it will exert a significant constraint on the level of total employment in the state.
- During the period covered by the update, the TAA program certified 63 petitions covering an estimated 6,531 Ohio workers. Relocation of production facilities to other countries accounted for 2,082 (31.8%) of these job losses.
- During the period covered by the update, an additional 1,645 Ohio workers were TAA-certified because their companies shifted production to Canada or Mexico since October 2003. The vast majority of these job losses (1,326) were due to production shifts to Mexico. Since 1995, 16,298 workers (31.2% of total certifications) received TAA certifications for NAFTA-related reasons. Nearly two-thirds of these job losses were due to production shifts to Mexico.
- From November 2003 to July 2004, TAA certifications occurred in 35 Ohio counties. Cuyahoga County had 690 workers certified. Two counties, Hamilton and Montgomery, each had 500 or more workers certified. Two others, Hocking and Lake, each had 400 or more.

Trade has been responsible for a large number of lost jobs in Ohio. Public policy must do more to acknowledge how trade can cause job loss, to prevent job losses due to international trade, and to help those whose jobs have been lost because of trade.

## Introduction

Ohio is undergoing an employment crisis that has lasted four years. As of July of this year, the total number of nonagricultural wage and salary positions in the state was 257,400 jobs below its pre-recession peak (June 2000) on a seasonally-adjusted basis, a decline of 4.6%.<sup>2</sup> In fact, the level of total employment in Ohio in July 2004 was still below the level reached previously in July 1997.<sup>3</sup> Despite slight job growth nationally, Ohio has failed to show two consecutive months of seasonally-adjusted job growth since the 2001 recession started. Preliminary estimates for August 2004 indicate that the state lost an additional 11,800 jobs since July.

The primary cause for the employment crisis was the precipitous decline in manufacturing employment between 2000 and 2003. During the first half of this year, the level of manufacturing employment in Ohio has stabilized at levels between 824,000 and 829,000. The total number of manufacturing jobs in Ohio now stands roughly 200,000 below its level of early 2000.

As an organization that is committed to studying Ohio's economy and the impact of economic trends on Ohio's workers, Policy Matters Ohio is deeply concerned about the erosion of the state's manufacturing base because of its negative effects on laid-off workers, their families and communities, and our state's economic future. In order to shed light on the causes of the decline of the state's manufacturing sector, Policy Matters Ohio released a report earlier this year entitled *International Trade and Job Loss in Ohio*. The central finding of the report was that job loss due to trade is a significant factor in reducing manufacturing employment in Ohio. Using administrative data from the federal Trade Adjustment Assistance (TAA) program, the report found that the TAA program certified 45,734 Ohioans as being eligible to apply for trade adjustment assistance between 1995 and October 2003.

The TAA program is not comprehensive in its coverage of trade-related job loss, so job losses identified through TAA program data are **minimum estimates** of trade-related job losses. Nonetheless, this update finds that job losses identified in TAA program data accounted for nearly 19% of the net reduction in manufacturing employment from January 1999 through January 2004.

### Coverage of the TAA program

Prior to the Trade Adjustment Assistance Reform Act of 2002, the U.S. Department of Labor (USDOL) administered two separate trade adjustment programs: the regular TAA program and a North American Free Trade Agreement (NAFTA-TAA) program.<sup>4</sup> The regular TAA program certified only those workers who were laid off or threatened with being laid off because their employer faced an increase in imports of like products or products that directly competed with the firm's products.<sup>5</sup> Workers affected by shifts in production to foreign countries were not eligible for certification, except for shifts to Canada or Mexico, which were covered under the NAFTA-TAA program. Former law did not extend coverage to workers at supplier companies that lost business because a factory they sold products to was affected by trade.

The Trade Adjustment Assistance Act of 2002 merged the two programs, broadened eligibility requirements, and added additional benefits for trade-affected workers. These changes became effective in November, 2002. The Act established four alternate criteria that a petitioner may meet to establish eligibility and receive certification from the USDOL:

- (1) increased imports contributed importantly to a decline in sales or production and to a layoff or threat of a layoff; or
- (2) there has been a shift in production to a country with a free or preferential trade agreement with the United States; or
- (3) there has been a shift in production outside the United States and there has been or is likely to be an increase in imports of like or directly competitive articles; or
- (4) loss of business as a supplier or downstream producer for a TAA-certified firm contributed importantly to worker layoffs.<sup>6</sup>

Despite the reforms, TAA coverage of job losses due to trade is not comprehensive. As with any government program, a lack of awareness may prevent some groups of workers from applying for assistance. Also, the extension of coverage to suppliers and downstream producers is limited by the requirement that these companies must work “directly” for a certified firm.<sup>7</sup> The reality of industrial production is that most large plants utilize a supply chain that is many layers deep. A plant closing or downsizing creates a loss of demand that cascades down the supply chain, but TAA certifications must stop at first-tier suppliers. In addition, workers that produce a service, rather than a good, are not covered unless they are part of the same company that received a certification, and their work directly supported the production process.

Finally, the TAA program does not capture the negative “multiplier effects” on consumer demand that accompany job losses. The loss of income for workers affects service industries and government employment (through loss of tax receipts). Therefore, TAA certifications are a **minimum estimate** of job losses due to trade, both within the manufacturing sector and outside of it.

#### TAA program benefits

A certification issued for a group of workers establishes that those workers are eligible to apply for trade assistance benefits. Each individual worker must then apply for benefits with a state employment security agency. Trade adjustment assistance benefits may include: an additional unemployment benefit known as a “trade readjustment allowance”; training; reemployment services; job search allowances for workers who must search for a job outside of their immediate commuting area; relocation assistance for workers who must move to another area to find a job; and, a health coverage tax credit. Instead of applying for trade adjustment assistance benefits, workers over 50 years of age may apply for a wage supplement if their reemployment wage is lower than the wage of their previous job.<sup>8</sup>

Job losses identified by TAA program data

As Table 1 shows, the number of workers certified under the TAA program peaked in 2002. Even though the total for 2003 is less than 2002, it is still the second-highest total for any year. Unfortunately, given that over 5,000 workers were certified in the first seven months of 2004, it is possible that this year’s total might match that of 2003. Given that total manufacturing employment has been stable through the first half of this year, it appears that job losses due to trade and other reasons are being offset by gains in employment at other manufacturing establishments. The continued loss of thousands of manufacturing jobs due to international trade will make it difficult to regain a significant proportion of the 200,000 manufacturing jobs lost in recent years.

| <b>Year</b>  | <b>Estimated number of workers</b> |
|--------------|------------------------------------|
| 1995         | 2,330                              |
| 1996         | 2,832                              |
| 1997         | 3,298                              |
| 1998         | 2,462                              |
| 1999         | 4,564                              |
| 2000         | 4,661                              |
| 2001         | 6,509                              |
| 2002         | 13,093                             |
| 2003         | 7,470                              |
| 2004(p)      | 5,046                              |
| <b>Total</b> | <b>52,265</b>                      |

Source: Policy Matters Ohio analysis of TAA and NAFTA-TAA program data.  
(p) denotes partial year, January to July 2004.

Table 2 (below) provides some perspective on the importance of the TAA-certified job losses relative to the decline in employment across Ohio’s entire manufacturing sector. Despite the limited coverage of the TAA program, the estimated number of workers certified under the program accounted for 19% of the net decline in manufacturing employment.

| <b>Table 2. TAA worker certifications as share of Ohio manufacturing job loss, January 1999 to January 2004 (in thousands, not seasonally adjusted)</b>          |              |         |                    |                      |
|--|--------------|---------|--------------------|----------------------|
| Total Manufacturing Employment   |              |         | TAA Certifications |                      |
| January 1999   | January 2004 | Decline | Number of Workers* | TAA share of Decline |
| 1,024.8  | 826.1        | 198.7   | 37.8               | 19%                  |
| Source: Policy Matters analysis of CES employment data and TAA program data.<br>* Total certified between 1999-2003 and 1,506 workers certified in January 2004. |              |         |                    |                      |

### Geographic distribution of TAA and NAFTA-TAA Certifications

Ohio is a highly urbanized state, and Ohio's manufacturing facilities are concentrated in or near urban centers. Not surprisingly, the highest levels of TAA certifications are found in Ohio's urban counties, but 78 of Ohio's 88 counties have had at least one establishment certified since 1995 (see Appendix 1). Since October 2003, 35 Ohio counties had at least one TAA certification. Cuyahoga County, which includes Cleveland, had 690 workers certified, the highest level in the state. Seven establishments were certified, three of which accounted for the majority of the layoffs. Metaldyne Driveline, which makes die cast transmission parts, was TAA-certified as a supplier and laid off 259 workers. Osborn Manufacturing Company, a maker of industrial brushes, laid off 215 workers when the company shifted production to Mexico. Van Dorn Demag Corp., a maker of plastic injection molding machinery, laid off 121 workers due to rising levels of foreign imports.

Hamilton County (which includes Cincinnati) had 569 workers certified. Most of these job losses resulted from layoffs by two companies. Due to rising imports, 3M Precision Optics laid off 330 workers who made lens systems. Senco Products, Inc. laid off 235 workers who made automotive fastening tools because the company sourced their products from South Korea, Taiwan, and China.<sup>9</sup> Montgomery County (which includes Dayton) had 500 workers certified as a result of two large trade-related layoffs. Delphi Corporation laid off 342 workers at a plant that made air conditioning compressors because the company increased its imports of foreign products at the expense of domestic production. Deuer Manufacturing laid off 158 workers plant that made tire winch assemblies because the company shifted production to Mexico.

Lake County, to the east of Cleveland, had 495 workers certified since October 2003. Two certified petitions accounted for 332 of these layoffs. Royal Appliance Manufacturing Co., a maker of vacuums, laid off 168 employees due to the company's increased purchases of foreign products. Bard Endoscopic closed its facility and moved production to Mexico, discharging 164 employees. Hocking County, in the southeastern part of Ohio, had an estimated 414 workers certified, the fifth-highest level for any Ohio county since October 2003. All of these layoffs occurred at a Smead Manufacturing Co. plant that made paper filing products. The company shifted production to Mexico.

Four other counties had over 300 workers certified since October 2003: Trumbull (350), Union (340), Ashland (312), and Richland (310).

As shown in Appendix 1, fourteen Ohio counties have had over 1,000 workers certified under the TAA program since 1995. Cuyahoga County has been hardest hit, with 6,150 workers certified. Hamilton, Lorain, Stark, and Trumbull counties each had over 3,000 workers certified since 1995.

TAA certifications occurred in all but one of Ohio’s 18 Congressional Districts from November 2003 to July 2004. Appendix 2 lists the number of certifications that occurred in each of Ohio’s 18 U.S. House of Representative districts (108<sup>th</sup> Congress) over the 1995 to July 1994 period. The number of certified workers per district ranged from a low of 860 to a high of 4,316. Only one of the congressional districts had fewer than 1,000 workers certified.

NAFTA-related TAA certifications

NAFTA became effective on January 1, 1994. Table 3 lists certifications made for NAFTA-related reasons, which comprise 31.2% of the 52,265 total worker certifications since 1995.<sup>10</sup> Production shifts to Mexico account for nearly two-thirds of the workers certified for NAFTA-related reasons. Altogether, trade and investment with Mexico alone accounted for 81.5% of the workers certified for NAFTA-related reasons.

| <b>Reason for Certification</b>                                    | <b>Estimated Workers</b> | <b>Share of NAFTA-related certifications*</b> |
|--|--------------------------|---|
| Company Shifted Production to Mexico                               | 10,733                   | 65.9%   |
| Supplier to a Company that Shifted to Mexico                       | 229                      | 1.4%  |
| Increased Company Imports from Mexico                              | 568                      | 3.5%  |
| Increased Customer Imports from Mexico                             | 1,747                    | 10.7%   |
| <i>Mexico subtotal</i>   | <i>13,277</i>            | <i>81.5%</i>                                  |
| Company Shifted Production to Canada                               | 2,102                    | 12.9%   |
| Supplier to a Company that Shifted to Canada                       | 0                        | 0.0%  |
| Increased Company Imports from Canada                              | 0                        | 0.0%  |
| Increased Customer Imports from Canada                             | 495                      | 3.0%  |
| <i>Canada subtotal</i>   | <i>2,597</i>             | <i>15.9%</i>                                  |
| Increased Customer Imports from both Canada and Mexico             | 324                      | 2.0%  |
| High and rising aggregate U.S. Imports from both Canada and Mexico | 100                      | 0.6%  |
| <b>Both countries subtotal</b>                                     | <b>424</b>               | <b>2.6%</b>                                   |
| <b>Total</b>   | <b>16,298</b>            | <b>100.0%</b>                                 |

Source: Policy Matters Ohio analysis of TAA and NAFTA-TAA program data.  
 \* Percentages are rounded.

## Conclusion and Recommendations

Ohio has suffered alarming job loss over the last four years. Increased imports and movement of manufacturing facilities to lower-wage countries are to blame for a significant portion of this exodus. The federal government's trade adjustment assistance program certified 52,265 jobs as having left Ohio for trade-related reasons between 1995 and July 2004. Between January 1999 and January 2004, when Ohio was steadily losing manufacturing jobs, the number of workers certified under the TAA program accounted for 19 percent of Ohio's net manufacturing job loss. The following four recommendations would help retain an American manufacturing job base, lead to some new high-wage jobs in our economy, and assist those whose jobs are not likely to return.

- ◆ **Trade Policy:** Rising levels of imported goods and shifts in production to foreign countries are responsible for at least 19 percent of the manufacturing job loss we've experienced since 1999. In our international trade agreements, environmental, labor, human rights, health and safety standards were left out or relegated to side agreements and poorly enforced. This means that the health and safety of workers and residents abroad are seriously compromised – children are forced to work, chemicals are freely dumped, injuries abound, hours of work are unregulated and workers are paid barely enough to live on. It also makes it impossible for domestic facilities to compete, because domestic factories have to abide by basic standards that add to the cost of production. Side agreements should be fully enforced and strengthened. New agreements must place basic rights and environmental standards at the forefront, and existing agreements need to be reexamined with these standards in mind. In addition, Ohio's citizens must be able to use the democratic process through their state and local governments to provide needed protections for workers and communities.

- ◆ **Manufacturing:** Manufacturing is this region's historic strength and still employs one in six Ohio workers. Maintaining manufacturing is crucial to our region's economic vitality. The firms most likely to stay in the U.S. and in Ohio produce innovative, customized products that need to be manufactured close to markets and that require more highly skilled, highly trained, productive workers. To promote this approach, we should encourage collaboration between firms, government, unions and community colleges. One concrete suggestion: push Congress to restore funding for the Manufacturing Extension Partnership, which helps small and medium-sized manufacturers produce innovative, high-quality products while minimizing environmental problems. The Bush administration proposed to eliminate funding, which Congress partially restored at less than one-third of previous levels. The funding should be fully restored. State and local governments should also recognize that many new market needs in our economy will involve increasing our energy efficiency. Converting Ohio production capacity to clean energy uses is a way that we can create jobs while increasing our nation's energy independence.

- ◆ **Safety Net:** We must acknowledge the extent to which some workers and communities are damaged by trade agreements and other structural changes that cause job loss. We also have to take steps to help displaced workers transition to new employment and help stricken communities maintain jobs and infrastructure. We

should broaden eligibility for unemployment compensation, maintain our solid state unemployment compensation system, and provide extended federal benefits when job losses have not yet been recovered. For all jobless workers, we must provide access to training and job search assistance. Changes in welfare policy have often resulted in short-term “work first” activities rather than preparing people for permanent, family-supporting jobs. Further, fiscal constraints at the federal and state level threaten many parts of Ohio’s safety net. Maintenance of an adequate safety net must remain as high a priority as other demands on state and federal resources.

◆ Education: When jobs are frequently leaving and positions constantly changing, education becomes more vital. Educated workers are more flexible, and while no jobs are immune from international competition, high-skill work is more likely to stay in this country. We under-invest in higher education, and our K-12 funding system has repeatedly been found unconstitutional because resources are allocated so unequally. A profound shift is needed. Early childhood education, early intervention, professional development and smaller class sizes are proven reforms that work and must be more widely implemented in Ohio. College must be made more affordable if we are to meet the demands of the new economy. Instead, Ohio has failed to keep pace with other states in investment in higher education, forcing public universities to raise tuition and putting higher education out of reach of more young people.

Ohio and the nation face new challenges as the reverberations of expanded trade affect our communities. Meeting these challenges forthrightly will ensure that this region and this country benefit from policy change.

**APPENDIX 1**

| <b>TAA certifications in Ohio ranked<br/>by workers in each county, 1995- July 2004</b> |                                |                              |
|---|--------------------------------|------------------------------|
| <b>COUNTY</b>   | <b>Certified<br/>Petitions</b> | <b>Certified<br/>Workers</b> |
| 1. Cuyahoga   | 49                             | 6,150                        |
| 2. Hamilton   | 28                             | 3,489                        |
| 3. Stark  | 26                             | 3,178                        |
| 4. Lorain   | 14                             | 3,138                        |
| 5. Trumbull   | 15                             | 3,062                        |
| 6. Franklin   | 19                             | 2,056                        |
| 7. Montgomery   | 13                             | 1,968                        |
| 8. Shelby   | 8                              | 1,277                        |
| 9. Summit   | 24                             | 1,267                        |
| 10. Putnam  | 2                              | 1,235                        |
| 11. Muskingum   | 5                              | 1,139                        |
| 12. Lake  | 16                             | 1,276                        |
| 13. Mercer  | 2                              | 1,100                        |
| 14. Butler  | 8                              | 1,046                        |
| 15. Marion  | 6                              | 901                          |
| 16. Crawford  | 8                              | 892                          |
| 17. Ross  | 3                              | 851                          |
| 18. Pike  | 2                              | 825                          |
| 19. Miami   | 14                             | 772                          |
| 20. Wayne   | 4                              | 705                          |
| 21. Lawrence  | 3                              | 698                          |
| 22. Delaware  | 3                              | 696                          |
| 23. Columbiana  | 5                              | 695                          |
| 24. Clinton   | 5                              | 592                          |
| 25. Ashland   | 5                              | 590                          |
| 26. Allen   | 5                              | 509                          |
| 27. Warren  | 6                              | 485                          |
| 28. Hocking   | 2                              | 472                          |
| 29. Auglaize  | 5                              | 465                          |
| 30. Clermont  | 1                              | 460                          |
| 31. Highland  | 1                              | 420                          |
| 32. Williams  | 5                              | 397                          |
| 33. Richland  | 4                              | 395                          |
| 34. Perry   | 4                              | 392                          |
| 35. Licking   | 6                              | 390                          |
| 36. Erie  | 3                              | 375                          |
| 37. Van Wert  | 3                              | 368                          |
| 38. Union   | 2                              | 351                          |
| 39. Guernsey  | 2                              | 338                          |

International Trade and Job Loss in Ohio – An Update

| TAA certifications (continued)  |           |         |
|---|-----------|---------|
| COUNTY  | Petitions | Workers |
| 40. Mahoning  | 10        | 331     |
| 41. Lucas   | 3         | 328     |
| 42. Darke   | 5         | 322     |
| 43. Sandusky  | 2         | 319     |
| 44. Huron   | 5         | 311     |
| 45. Pickaway  | 2         | 308     |
| 46. Clark   | 4         | 306     |
| 47. Greene  | 2         | 279     |
| 48. Washington  | 4         | 257     |
| 49. Monroe  | 1         | 232     |
| 50. Seneca  | 2         | 232     |
| 51. Hancock   | 4         | 221     |
| 52. Belmont   | 3         | 211     |
| 53. Coshocton   | 2         | 207     |
| 54. Morrow  | 1         | 200     |
| 55. Preble  | 2         | 200     |
| 56. Portage   | 4         | 200     |
| 57. Defiance  | 2         | 197     |
| 58. Scioto  | 1         | 194     |
| 59. Fairfield   | 3         | 183     |
| 60. Morgan  | 2         | 158     |
| 61. Tuscarawas  | 5         | 156     |
| 62. Ottawa  | 1         | 140     |
| 63. Fulton  | 1         | 137     |
| 64. Wood  | 2         | 137     |
| 65. Logan   | 2         | 130     |
| 66. Jackson   | 2         | 120     |
| 67. Ashtabula   | 3         | 115     |
| 68. Athens  | 2         | 106     |
| 69. Medina  | 2         | 95      |
| 70. Paulding  | 1         | 91      |
| 71. Wyandot   | 2         | 71      |
| 72. Fayette   | 1         | 60      |
| 73. Adams   | 1         | 50      |
| 74. Geauga  | 2         | 50      |
| 75. Meigs   | 1         | 44      |
| 76. Holmes  | 1         | 40      |
| 77. Madison   | 1         | 26      |
| 78. Carroll   | 2         | 21      |
| Total*  | 432       | 52,200  |
| Source: Policy Matters Ohio analysis of TAA and NAFTA-TAA program data              |           |         |
| * Nine workplaces, totaling 65 estimated workers, could not be located in a county. |           |         |

**APPENDIX 2**

| <b>TAA certifications in Ohio by U.S. House of Representatives district number, 1995 – July 2004</b>  |                            |                          |
|---|----------------------------|--------------------------|
| <b>District</b>   | <b>Certified Petitions</b> | <b>Certified Workers</b> |
| 1   | 14                         | 860                      |
| 2   | 15                         | 3,416                    |
| 3   | 18                         | 2,857                    |
| 4   | 37                         | 4,169                    |
| 5   | 33                         | 4,316                    |
| 6   | 20                         | 2,208                    |
| 7   | 19                         | 1,653                    |
| 8   | 34                         | 3,673                    |
| 9   | 8                          | 1,173                    |
| 10  | 19                         | 2,212                    |
| 11  | 10                         | 1,415                    |
| 12  | 13                         | 2,131                    |
| 13  | 27                         | 3,825                    |
| 14  | 35                         | 2,542                    |
| 15  | 14                         | 1,597                    |
| 16  | 33                         | 3,981                    |
| 17  | 32                         | 3,869                    |
| 18  | 30                         | 3,735                    |
| <b>Total**</b>  | <b>411</b>                 | <b>49,632</b>            |
| Source: Policy Matters Ohio analysis of TAA and NAFTA-TAA program data.<br>* 108 <sup>th</sup> Congress.<br>** 30 workplaces, totaling 2,633 estimated workers, could not be located in a district. |                            |                          |

---

<sup>1</sup> The certifications include the regular TAA program and the former NAFTA-TAA program, after the removal of duplicate certifications that occurred when a facility was certified under both programs. See the previous Policy Matters Ohio report, *International Trade and Job Loss in Ohio* (February 2004) for a detailed discussion of methodology.

<sup>2</sup> The pre-recession peak was 5,635,800 in June 2000. Policy Matters Ohio analysis of Current Employment Statistics (CES) survey (U.S. Department of Labor, Bureau of Employment Statistics).

<sup>3</sup> On a seasonally-adjusted basis, total nonagricultural employment in July 1997 was 5,398,600. The level in July 2004 was 5,378,400 (CES).

<sup>4</sup> The Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210, amended the Trade Act of 1974 (U.S. Code Title 19, §§ 2271-2331).

<sup>5</sup> The standard for certification, which remains in place under current law, is that imports must have “contributed importantly” to the lay-offs.

<sup>6</sup> *2003 Trade Policy Agenda and 2002 Annual Report of the President of the United States on the Trade Agreements program* (Office of the U.S. Trade Representative), p. 248, describing changes to 19 U.S.C. § 2272.

<sup>7</sup> See 19 U.S.C. sec. 2272(c)(3) and (4).

<sup>8</sup> Source: “Frequently Asked Questions about the Trade Adjustment Assistance Act,” Ohio Department of Job and Family Services, available at [http://jfs.ohio.ouc.TradeAdjustAssist\\_FAQ.stm](http://jfs.ohio.ouc.TradeAdjustAssist_FAQ.stm). The program for older workers is known as Alternative Trade Readjustment Assistance (ATAA).

<sup>9</sup> The TAA program issued certifications for two separate establishments at Senco Products.

<sup>10</sup> Data from the NAFTA-TAA permitted us to track both production shifts and jobs lost due to imports from Canada or Mexico. After the merger of the TAA and NAFTA-TAA programs, TAA data only permit us to track jobs lost due to production shifts.



POLICY MATTERS OHIO IS A NON-PROFIT RESEARCH INSTITUTE DEDICATED TO BRIDGING THE GAP BETWEEN RESEARCH AND POLICY IN OHIO. POLICY MATTERS SEEKS TO BROADEN DEBATE ABOUT ECONOMIC POLICY BY PROVIDING QUANTITATIVE AND QUALITATIVE ANALYSIS OF ISSUES IMPORTANT TO OHIO'S WORKING PEOPLE. OTHER AREAS OF INQUIRY FOR POLICY MATTERS INCLUDE WORK, WAGES, AND BENEFITS; EDUCATION; BASIC NEEDS; PRIVATIZATION; ECONOMIC DEVELOPMENT AND TAX POLICY. FUNDING HAS BEEN PROVIDED BY THE GEORGE GUND FOUNDATION, THE ST. ANN FOUNDATION, THE NORD FAMILY FOUNDATION, THE STERN FAMILY FUND, GREATER CLEVELAND COMMUNITY SHARES AND OTHER SOURCES.

2912 EUCLID AVENUE • CLEVELAND, OHIO, 44115 • 216-931-9922  
[HTTP://WWW.POLICYMATTERSOHIO.ORG/](http://www.policymattersohio.org/)