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# Trade Adjustment Assistance for Firms

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## Summary

As Congress considers potential legislation related to trade agreements or authorities, the potential impact on U.S. workers and firms is part of the debate. The Trade Adjustment Assistance (TAA) programs were first authorized by Congress in the Trade Expansion Act of 1962 (P.L. 87-794) to help workers and firms adapt to import competition and dislocation caused by trade liberalization. While trade liberalization may increase the overall economic welfare of all the affected trade partners, it can also cause adjustment problems for firms and workers facing import competition, and adjustment assistance has long been justified on the grounds that it is the least disruptive option for offsetting policy-driven trade liberalization. The TAA programs for workers, firms, and farmers represent an alternative to policies that would restrict imports, providing assistance while bolstering freer trade and diminishing prospects for potentially costly tension (retaliation) among trade partners.

This report discusses the Trade Adjustment Assistance for Firms (TAAF) program, which is administered by the U.S. Department of Commerce Economic Development Administration (EDA), and related policy issues. Most recently, reauthorization of TAA was linked to renewal of Trade Promotion Authority (TPA). Both TPA (P.L. 114-26 ) and TAA (P.L. 114-27) were signed into law in June 2015. The current TAA authorization expires in June 2022.

TAAF provides technical assistance to help trade-impacted firms make strategic adjustments to improve their global competitiveness. TAAF targets firms harmed by import competition. Under TAAF, a firm first submits a petition to demonstrate its eligibility, then works with TAAF professionals to develop and submit, and finally implement, a business recovery plan.

As required by the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) (Title II of P.L. 111-5), EDA publishes annual reports on the performance of the TAAF program. The reports have generally shown that two years after completion of the program, on average, participating firms have increased sales, employment, and productivity. The high success rate for firms that “completed” the TAAF program represents the majority of firms certified as eligible for assistance. Other businesses left the program without completing an adjustment plan and were no longer monitored. The Government Accountability Office (GAO) completed a comprehensive evaluation of the TAAF program in 2012 and found marked improvement in EDA’s administration and evaluation efforts and also confirmed EDA’s assessment that trade-impacted firms benefitted from the specialized attention provided by TAAF assistance. GAO also found a “small and statistically significant relationship between program participation and sales,” which was particularly relevant to smaller firms, albeit also highly correlated with firms operating in high-growth industries. Employment effects were not found to be statistically significant.

Trade has shifted since Congress first authorized TAA. Global value chains (GVCs) have emerged as a dominant force in international trade and the global economy; today more than two-thirds of world trade occurs via GVCs. GVCs establish production processes in various stages and locate them in various places around the globe where particular stages can be best conducted to achieve efficient production. GVCs offer the potential for small- and medium-size firms to become more integrated into international trade and produce higher-value-added products. One question is whether EDA, through the TAAF program, can help trade-impacted firms in developing stronger relationships with multinational corporations (MNCs) and GVCs. Another is how EDA can help small and medium enterprises take advantage of the digital economy to reach new markets, including those opened up by trade agreements. Congress may consider these questions as well as further reforms or amendments to TAAF as part of ongoing discussions on potential trade agreements.

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The Trade Adjustment Assistance (TAA) programs were first authorized by Congress in the Trade Expansion Act of 1962, as amended, to help workers and firms adjust to import competition and dislocation caused by trade liberalization.<sup>1</sup> Although overall economic welfare can be increased by trade liberalization, TAA has long been justified on grounds that the government has an obligation to help the “losers” of policy-driven trade openings that may cause adjustment problems for firms and workers adversely affected by import competition. TAA programs that cover workers, firms, and farmers aim to “facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.”<sup>2</sup> Congress continues to monitor TAA program performance and to periodically reauthorize and amend the governing legislation.<sup>3</sup> TAA is currently authorized through June 30, 2022.

This report discusses the Trade Adjustment Assistance for Firms (TAAF) program, which is administered by the Economic Development Administration (EDA) of the Department of Commerce. The TAAF program assists eligible American companies that have been harmed by increasing imports; this harm is defined by lower domestic sales and employment because of increased imports of similar goods and services. As currently designed, the TAAF program does not target firms whose sales are impacted by foreign tariffs or other trade restrictions. Through the TAAF program, EDA provides technical assistance, on a cost-sharing basis, to help eligible businesses create and implement business recovery plans that may allow them to remain competitive in a dynamic international economy.<sup>4</sup> The TAAF program provides technical assistance through a partnership with a national network of 11 EDA-funded Trade Adjustment Assistance Centers (TAACs).

## The Trade Adjustment Assistance for Firms Program: Legislation since 2009

Congress first authorized TAA in Title III of the Trade Expansion Act of 1962 (P.L. 87-794), but it was little used until it was updated and reauthorized under the Trade Act of 1974 (P.L. 93-618), enacted in January 1975. Congress has amended TAA programs many times over the half-century of its existence. TAA includes a firm and industry assistance program that is administered by the EDA.<sup>5</sup>

### Trade and Globalization Adjustment Assistance Act (TGAAA)

In 2009, the 111<sup>th</sup> Congress expanded TAA through a bipartisan agreement to reauthorize the program. The Trade and Globalization Adjustment Assistance Act of the American Recovery and Reinvestment Act (ARRA) of 2009 (P.L. 111-5) expanded and extended the then-existing

<sup>1</sup> A list of acronyms is provided at the end of this report to assist readers.

<sup>2</sup> P.L. 93-618, §201. (a).

<sup>3</sup> For a broader discussion on the policy debate over TAA, see nondistributable CRS Report R41922, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, by J. F. Hornbeck, available to congressional clients on request. See also CRS Report R40206, *Trade Adjustment Assistance for Farmers*, by Mark A. McMinimy; and CRS Report R42661, *Trade Adjustment Assistance Community College and Career Training Grants*, by Benjamin Collins.

<sup>4</sup> The Trade Adjustment Assistance for Firms (TAAF) program is authorized by Chapters 3 and 5 of Title II of the Trade Act of 1974, as amended (19 U.S.C. §2341 et seq.).

<sup>5</sup> The TAAF program was originally administered jointly by the Tariff Commission (predecessor to the USITC) and the U.S. Department of Commerce.

programs for workers, firms, and farmers, and added a fourth program for communities (later repealed). In terms of the TAAF program, the TGAAA:

- expanded eligibility to include firms in the services sector to reflect the larger role of services in the U.S. economy;<sup>6</sup>
- provided greater flexibility for a firm to demonstrate eligibility for assistance through an “extended look-back period,” giving firms longer time frames for calculating sales or production declines due to import competition;
- increased annual authorized funding levels from \$16 million to \$50 million;
- established new oversight and evaluation criteria;
- created a new position of Director of Adjustment Assistance for Firms; and
- required that EDA submit a detailed annual report to Congress.

When the TAA programs were set to expire on January 1, 2011, the House and Senate passed, and the President signed, the Omnibus Trade Act of 2011 (P.L. 111-344) in late December 2010.

While the act extended TAA programs for six weeks through mid-February, it eliminated some of the expanded provisions of the TGAAA, including eligibility for services firms and the expanded look-back periods for qualifying firms to meet eligibility requirements. The debate over passage of the proposed free trade agreements (FTAs) with Colombia, Panama, and South Korea offered the 112<sup>th</sup> Congress another opportunity to revisit TAA reauthorization as part of the implementing legislation approval process.

### **Trade Adjustment Assistance Extension Act (TAAEA)**

In October 2011, Congress passed, and the President signed into law, the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) (Title II, P.L. 112-40). The TAAEA authorized the TAAF program through December 31, 2014. The prior 2011 expiration of the expanded provisions of the TAAF program limited the number of firms entering the program (as services firms were no longer eligible to participate), and eliminated the extended look-back period. These factors, combined with an improving economy, made it more difficult for firms to demonstrate their eligibility to participate. The TAAEA retroactively extended the enhanced provisions (inclusion of services firms and the extended “look-back” period) contained in the TGAAA through December 31, 2013. On January 1, 2014, the TAAF again reverted back to the more limited program that had been in effect as of February 13, 2011.

Though the TAAF authorization expired on January 1, 2015, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235), extended TAAF appropriations through September 30, 2015, allowing Trade Adjustment Assistance Centers administering the program to continue to serve existing firms and certify new firms.

### **Trade Adjustment Assistance Reauthorization Act (TAARA)**

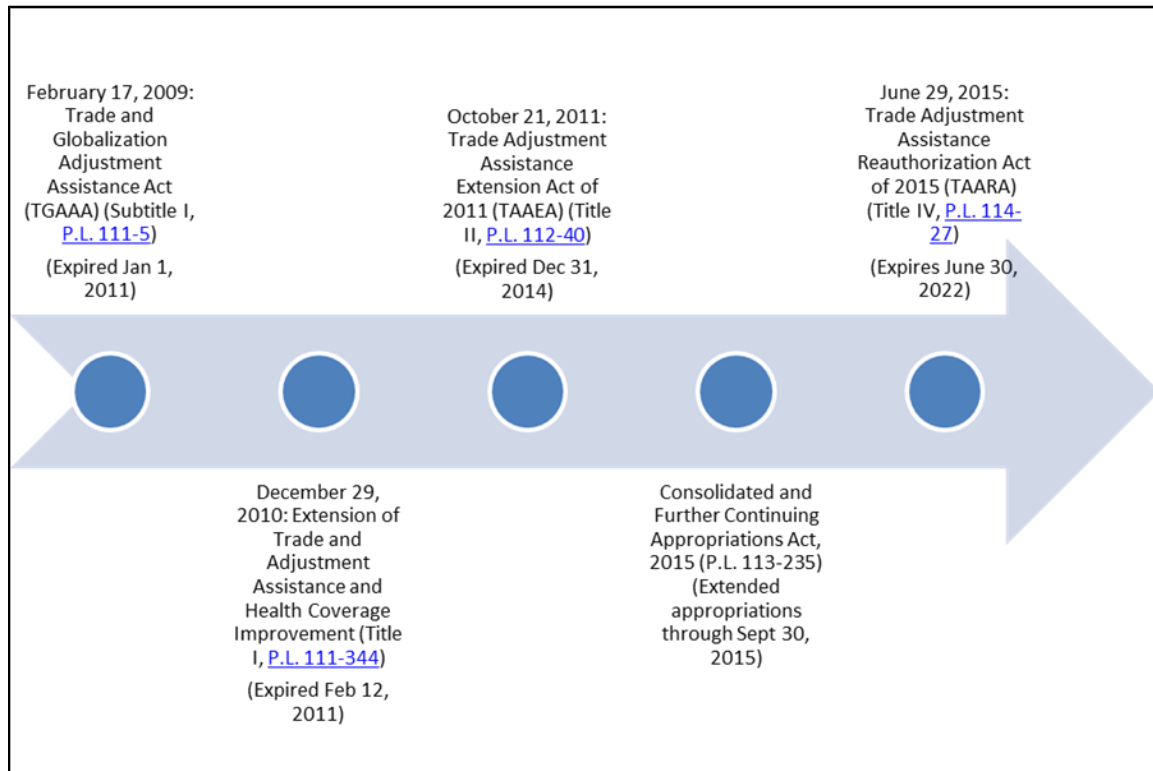
Six months after the TAAF authorization ended in January 2015, Congress passed, and the President signed, the Trade Preferences Extension Act of 2015 (P.L. 114-27), which included Title IV, the Trade Adjustment Assistance Reauthorization Act (TAARA) of 2015. Congress linked the reauthorization of TAA to renewal of Trade Promotion Authority (TPA). Both TPA (P.L. 114-26 )

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<sup>6</sup> According to the United States Trade Representative and U.S. Department of Labor, services account for 68% of U.S. gross domestic product (GDP) and 80% of U.S. civilian employment. For more information on U.S. trade in services, please see CRS Report R43291, *U.S. Trade in Services: Trends and Policy Issues*, by Rachel F. Fefer.

and TAARA (P.L. 114-27) were signed into law in June 2015. The TAARA reauthorized the TAAF program through June 30, 2021, and added back the enhanced provisions of the TAAEA, effective retroactively to January 1, 2014. TAARA also restored annual authorization levels to \$16 million. Appropriations were \$12.5 million in FY2015 and have been \$13 million a year since FY2016 (**Table 1**). If Congress does not reauthorize the program, on July 1, 2021, the TAAF program will revert to the more limited program as in 2011, and the entire program will expire on June 30, 2022 (**Figure 1**).

**Figure 1. Legislative History of TAAF since 2009**



Source: CRS.

If the President concludes negotiations and submits an implementing bill for a trade agreement, such as with the United Kingdom (UK) or European Union (EU), the subsequent legislative debate and package may provide Congress an opportunity to further amend TAARA, which could include reforming the TAA programs, changing the management structure or requirements, or adjusting the current funding level or timelines.<sup>7</sup> With TPA authorization expiring on July 1, 2021, renewal of TPA and TAA legislation may present an earlier opportunity for Congress to debate and update trade negotiating objectives and assistance programs.

<sup>7</sup> For more information on UK and EU trade negotiations, see CRS In Focus IF11123, *Brexit and Outlook for a U.S.-UK Free Trade Agreement*, by Shayerah Ilias Akhtar, Rachel F. Fefer, and Andres B. Schwarzenberg and CRS In Focus IF10931, *U.S.-EU Trade and Economic Issues*, by Shayerah Ilias Akhtar.

## Overview of the TAAF Program<sup>8</sup>

The TAAF provides technical assistance to help trade-impacted firms make strategic adjustments that may allow them to remain competitive in a global economy. Originally, TAAF also included loans and loan guarantees, but Congress eliminated all direct financial assistance in 1986 because of federal budgetary cutbacks and concern over the program's high default rates and limited effectiveness. Funding levels have been consistent for the past five years.

TAAF authorizations and appropriations for FY2008-FY2020 appear in **Table 1**.

**Table 1. Firm TAA Authorizations and Appropriations, FY2008-FY2020**

(\$ millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Authorizations	16.0	50.0	50.0	18.3	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Appropriations	14.2	13.9	15.8	15.8	15.8	15.8	15.0	12.5	13.0	13.0	13.0	13.0	13.0

**Data Source:** U.S. Department of Commerce, Economic Development Administration (EDA).

**Notes:** \* P.L. 111-5 (TGAAA) authorized \$12.5 million for October 1, 2010-December 31, 2010; P.L. 111-344 authorized \$5.8 million for January 1, 2011-February 12, 2011.

## The TAAF Program: How It Operates

Administered by the Department of Commerce Economic Development Agency (EDA), the TAAF program provides technical assistance to firms through 11 regional Trade Adjustment Assistance Centers (TAACs).<sup>9</sup> TAACS, which operate under cooperative agreements with EDA, are available to assist firms in the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico. The following entities may apply to operate a TAAC: (1) universities or affiliated organizations; (2) states or local governments; or (3) nonprofit organizations.<sup>10</sup> They provide or contract for technical assistance to firms from the initial certification process through adjustment proposal (AP) implementation. TAACs are staffed by professionals with broad business expertise who can help firms develop recovery strategies and also identify financial resources. These professionals function as consultants who specialize in business turnaround strategies specifically designed to meet the needs of individual firms that may face adjustments in competing with lower-priced imports.<sup>11</sup> TAACs apply for EDA grants to operate their programs. All appropriated funds are used to support the TAAC process; *no funds or direct financial assistance* may be provided to firms.

<sup>8</sup> Based on 2012 13 C.F.R. §315, which provides details for applying for TAAF assistance, and EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program*, for various fiscal years.

<sup>9</sup> See <http://www.taacenters.org/locations.html>.

<sup>10</sup> 13 Code of Federal Regulations (CFR), Ch. III §315.4, January 1, 2014, p. 774.

<sup>11</sup> P.L. 93-618, §253, as amended, and U.S. Department of Commerce, Economic Development Administration, <http://www.taacenters.org>.

## Eligibility, Certification, and Implementation<sup>12</sup>

There are three phases to successful completion of a trade adjustment assistance project (see **Figure 2**).

In **phase one**, a firm must demonstrate that it is eligible to apply for assistance. The firm submits a *petition for certification* documenting that it is a “trade-impacted firm” by having met three conditions:<sup>13</sup>

1. “A significant number or proportion of workers”<sup>14</sup> in the firm have become or are threatened to become totally or partially separated;
2. Sales, or production, or both decreased absolutely, or sales, or production, or both of any article that accounted for not less than 25% of total sales or production of the firm during the 12, 24, or 36 months preceding the most recent 12 months for which data are available have decreased absolutely (the “look-back” period); and
3. Increased imports of articles like or directly competitive with articles produced by the firm have “contributed importantly”<sup>15</sup> to both layoffs and the decline in sales and/or production.

The third criteria ensures that TAAF focuses on firms hurt by import competition and not other trade-related issues (e.g., export restrictions, foreign tariffs or quotas). Certification specialists are available in the TAACs to work with firms (at no cost to the firm) to complete and submit a petition to EDA to be certified as a trade impacted firm. EDA is statutorily required to make a final determination on a petition within 40 days of accepting it. This time period has declined from an average of 45 days in FY 2009 to 26 days in FY2018.<sup>16</sup> In FY 2018, 276 firms received assistance in preparing petitions, but not all petitions were submitted in the same year.<sup>17</sup>

<sup>12</sup> The data in this report is based on the most recent publicly available EDA annual report from FY2018 which uses base year FY2016. The data used in the EDA report only reflects those firms for which all data was available; as firms are not required to submit survey data, EDA collected complete data from 187 out of 245 firms who completed the TAAF program in FY2016 and were in operation in FY2018.

<sup>13</sup> 13 C.F.R. §315.7 and U.S. Department of Commerce, Economic Development Administration, EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program, Fiscal Year 2015*, p. 11, <https://www.eda.gov/pdf/annual-reports/taaf/FY15-TAAF-Annual-Report-to-Congress.pdf>.

<sup>14</sup> Five percent of a firm’s work force or 50 workers, whichever is less, with EDA discretion to set other parameters in special cases (13 C.F.R. §315.2).

<sup>15</sup> In this case, the contributing cause must be important, but not necessarily more important than any other cause. A firm must provide a list of four important customers, of which the TAAC must interview two, to help evaluate whether the firm has been “trade-impacted” (13 C.F.R. §315.2).

<sup>16</sup> EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program, Fiscal Year 2018*, <https://www.eda.gov/files/annual-reports/taaf/FY18-TAAF-Annual-Report-to-Congress.pdf>, p. 10.

<sup>17</sup> *Ibid*, p. 17.



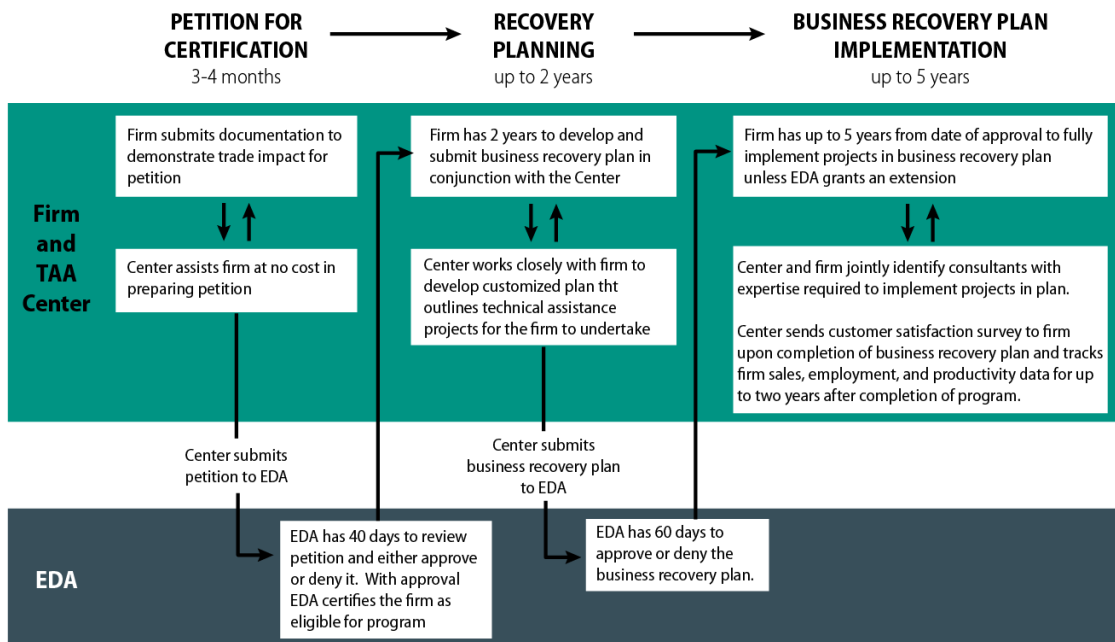
In **phase two**, a firm certified as eligible has two years to develop and submit a business recovery plan or *adjustment proposal (AP)*. Approval of the AP is contingent on EDA’s finding that the AP (1) is reasonably calculated “to materially contribute” to the economic adjustment of the firm; (2) gives adequate consideration to the interests of the firm’s workers; and (3) demonstrates that the firm will use its own resources for adjustment.

The TAACs also provide detailed assistance for the adjustment proposal, which seeks to identify business planning and practices that can be enhanced to improve firm competitiveness. Because technical assistance is provided in the preparation of the petition and adjustment proposal, there is a high formal acceptance rate. TAAC assistance ensures that submissions are completed correctly and that poor candidates are weeded out early in the process. EDA has 60 days to accept or reject the adjustment proposal. In FY2018, the average processing time for APs increased from prior years to 28 days as EDA needed to work with some firms to clarify their submission. The firm must pay at least 25% of the cost to prepare the adjustment proposal. In FY2018, 116 firms received assistance in developing APs.<sup>18</sup>

**TAAF Snapshot**

- Provides technical assistance to help trade-impacted firms make strategic adjustments;
- Manufacturing, Production, Agriculture, Mining, and Service sector firms are eligible for assistance;
- Petitioning firms may use a 12-, 24-, or 36-month “look-back” period;
- EDA must make a determination on eligibility within 40 days.

**Figure 2. Three Stages of TAAF: Process and Interaction among Firms, TAACs, EDA**



**Source:** Government Accountability Office, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve*, GAO-12-930, Washington, DC, September 2012, p. 7.

**Notes:** Diagram based on GAO analysis of EDA documents. Under TAARA, EDA is statutorily required to make a final determination on a petition for certification within 40 days of accepting it.

<sup>18</sup> Ibid, p. 18-19.

In **phase three**, firms have five years to complete *project implementation* based on an approved AP. EDA may provide financial assistance for project implementation, but firms must pay at least a 25% match where an AP total implementation cost is less than \$30,000. For project assistance exceeding \$30,000, a firm must cover at least 50% of the total cost, with the federal share capped at \$75,000.<sup>19</sup> On average, nationally firms received just under five years (57 months) of benefits under the TAAF program.<sup>20</sup>

Adjustment proposals may involve strategic restructuring of various aspects of business operations. Consultants with specific expertise are selected jointly between TAACs and the firm to help with implementation. Because firms must be experiencing falling sales or declining production to be eligible, TAACs often focus first on marketing or sales strategies to identify new markets, new products, promotional initiatives, and export opportunities. The core objective is to increase revenue. Second, production inefficiencies are often targeted to reduce firm costs and improve price competitiveness. Third, TAACs can develop debt restructuring strategies and act as intermediaries in finding new sources of business financing.

In FY2018, 506 firms received AP assistance in implementing projects.<sup>21</sup> TAAC technical assistance to firms to prepare petitions and to develop and implement business recovery plans (or APs) amounted to \$7.9 million in FY2018 and the financial contribution of firms participating in the program amounted to \$4.3 million.<sup>22</sup> Like earlier years, in FY2018, technical assistance fell under five categories:

1. Financial (accounting systems upgrade, cost control tracking system, automatic data processing development);
2. Management (strategic business planning, succession management, management development);
3. Marketing and Sales (sales process training, market expansion and feasibility, web site design and upgrade);
4. Production (lean manufacturing and certification, new product development, Production and warehouse automation); and
5. Support Systems (enterprise resource planning, management information systems upgrades, computer aided design software)

Unlike prior annual reports, EDA no longer provides exact breakdowns of the projects by category in its most recent annual reports.

**Table 2** summarizes select firm trade adjustment data for FY2008-FY2018. The TAAF program targets small- and medium-sized enterprises (SMEs), which is borne out in the firm data. Firms averaged fewer than 100 employees with average sales under \$20 million.

**Table 2. TAAF Select Program Indicators for FY2008-FY2018**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Firms Assisted <sup>a</sup>	143	172	264	183	102	114	107	120	75	104	98

<sup>19</sup> Ibid, p. 9.

<sup>20</sup> EDA defines benefits as technical assistance provided to firms from the time of petition certification to the time of program completion. Ibid, p.21.

<sup>21</sup> Ibid, p. 18.

<sup>22</sup> Ibid, p. 38.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Avg. Firm Sales (millions)	\$13.1	\$10.3	\$19.1	\$19.6	\$19.2	\$15.2	\$15.1	\$13.8	\$16.2	\$12.3	\$12.4
Avg. Firm Employees	82	79	138	91	81	86	84	79	89	71	67

**Data Source:** EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program, Fiscal Year 2018*, <https://www.eda.gov/files/annual-reports/taaf/fy18-TAAF-Annual-Report-to-Congress.pdf>.

- a. Number of adjustment proposals approved. Participating firms may have up to five projects in an approved AP. Firms can remain in an approved AP for up to five years, with firms remaining in the program for differing lengths of time.

## Program Evaluation

Historically, TAAF program evaluation was limited, with EDA lacking a formal evaluation process. Early efforts to analyze the program included comprehensive outside studies by the Urban Institute in 1998 and Government Accountability Office (GAO) in 2000 that addressed two critical issues: program administration and effectiveness.<sup>23</sup> The 2000 GAO report was not able to conclusively assess the impact of the program on firms because of a lack of systematic data. Both reports identified specific deficiencies with the TAAF program, such as a cumbersome certification process, long approval times, and little oversight and evaluation of projects. As a small program with limited resources, the TAAF had not received the managerial input required to adequately evaluate its efforts. Congress addressed this issue in the 2009 TGAAA, which required the creation of a new Director of Adjustment Assistance for Firms, along with additional support staff. The act also required an annual report to Congress and included specific performance measures to be collected and analyzed. Congress also mandated EDA to certify petitions for assistance and adjustment proposals within specific time frames.

### GAO 2012 Evaluation

As required by Congress, the GAO conducted a comprehensive review of the TAAF program, released in September 2012.<sup>24</sup> It noted important progress in the administrative capabilities of EDA and documents the positive impact of the TAAF program on trade-affected businesses. The GAO report also discussed the positive contribution of the changes initially made by the TGAAA and reinstated by the TAAEA.

GAO found that EDA's administration of the TAAF program had improved markedly as a result of changes resulting from the 2009 legislation. EDA reduced processing times, provided new performance reporting measures, and increased firm participation. GAO noted that TGAAA modifications to the TAAF program led to improvements in (1) management and staffing, (2) annual reporting, (3) eligibility for participation of services firms, and (4) expansion of the "look-back" period that permitted more firms to meet certification criteria.<sup>25</sup>

<sup>23</sup> EDA, *Effective Aid to Trade-Impacted Manufacturers: An Evaluation of the Trade Adjustment Assistance Program*, prepared by the Urban Institute, Washington, DC, November 1998; GAO, *Trade Adjustment Assistance: Impact of Federal Assistance to Firms Is Unclear*. Report GAO-01-12, Washington, DC, December 2000.

<sup>24</sup> GAO, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve*, Report GAO-12-930. Washington, DC, September 2012.

<sup>25</sup> Ibid, pp. 12-13.

The report also pointed to continuing challenges in centralized data management, evaluation reporting, and assessment of the effectiveness of TAAF.<sup>26</sup> One weakness identified by GAO was EDA's funding allocation formula for TAACs to ensure that the distribution of funds across TAACs provide "equivalent benefits" adequate to meet the varying needs of the 11 TAACs.

The second area of concern raised by GAO was EDA's analysis of performance measures. The most recent TAAF annual reports (FY2011 through FY2018) emphasize *output* measures (the type or level of program activities conducted or the direct products or services delivered by a program: number of firms assisted, petitions accepted, processing times) rather than *outcome* measures (defined as goals and performance measures that assess the results of a program, compared with its intended purpose). In part, this appears to be a result of the measures and indicators that Congress required EDA to collect and analyze. Of the 16 performance indicators, GAO reported that 13 emphasize outputs, or measures, of the goods and services provided by the program.

The TAAF annual reports have compared the performance of TAAF participants, which are, by definition, trade-impacted, troubled firms to the average performance of the U.S. manufacturing sector as a whole (using Bureau of Labor Statistics [BLS] data). GAO expressed concerns with EDA's methodology and recommended that "using program evaluation methods to rule out plausible alternative explanations for outcomes that may be influenced by a variety of external factors, such as changes in the economy, can help strengthen evaluations."<sup>27</sup> GAO conducted its own analysis to evaluate the policy impact of the TAAF on firms participating in the program.

The GAO report discussed the difficulties inherent in attempting to assess the "apples-to-oranges" effect of comparing TAAF-participating companies with a group of nonparticipating firms (as EDA has done). Even if a control group with characteristics similar to TAAF-participating firms could be identified, GAO noted that such an analysis would also have weaknesses. Given these limitations, GAO analyzed the performance of TAAF-participating firms, but explicitly recognized that such an approach could not determine whether TAAF firms' performance would have improved in the absence of the program.<sup>28</sup>

Using its own methodology, GAO found a "small and statistically significant relationship between program participation and sales."<sup>29</sup> GAO estimated that TAAF assistance, on average, resulted in a 5% to 6% increase in sales, which was particularly relevant to smaller firms, and a 4% increase in productivity, albeit also highly correlated with firms operating in industries that were experiencing growth. Employment effects were not found to be statistically significant. GAO also confirmed EDA's assessment that both manufacturing and services firms faced import competition that directly affected their sales, and that these firms, by and large, benefitted from specialized attention provided by TAACs. In addition, GAO conducted a survey of firms participating in the TAAF program. The survey found that 90% of respondent firms reported that they were "very" or "generally" satisfied with the services that they received from the TAACs.

<sup>26</sup> GAO, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Service Firms, but Measures, Data, and Funding Formula Could Be Enhanced*, GAO-12-930, September 2012, <http://www.gao.gov/products/GAO-13-166T>.

<sup>27</sup> Ibid, p. 18. The recommendations are contained in GAO, *Program Evaluation: A Variety of Rigorous Methods Can Help Identify Effective Interventions*, GAO-10-30, November 23, 2009, Washington, DC.

<sup>28</sup> GAO, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve, Appendix III: Economic Analysis of the Effect of Trade Adjustment Assistance Policy on Firm Market Performance*, Report GAO-12-930, Washington, DC, September 2012, p. 50.

<sup>29</sup> Ibid, pp. 22-24.

The GAO report provided some of the strongest evidence to date of the benefits of the now-lapsed 2009 legislative changes, as well as EDA’s much-improved administration and evaluation of the TAAF program compared to years past.

## EDA Annual Reports

Most of the public debate on trade and TAA does not distinguish between the various programs that EDA administers, including the TAAF. Some observers believe that TAA should be eliminated while others say that reform and changes are needed to the programs.<sup>30</sup> Whether changes are needed to TAA programs may depend on their effectiveness in assisting workers, or firms in the case of TAAF, survive and grow despite trade liberalization.

For the TAAF program, EDA is required by Congress to submit an annual report that provides findings and specified results (or performance measures).<sup>31</sup> EDA has released nine annual reports (FY2010 through FY2018) that identify numerous administrative and operational improvements. In addition, TAACs are now allocated funds in part based on performance measures (number of firm certifications and adjustment proposals generated) and quality measures.

As part of the TAAF annual report, EDA is required to provide a comparison of sales, employment, and productivity for each firm at the time it was certified and both one and two years after the recovery plan was completed. EDA does not estimate the specific number of "jobs retained" or "jobs created." In its FY2018 report, EDA notes that, from FY2017 to FY2018, average firm sales had increased by 43%, average employment increased by 23%, and average productivity increased by 16%.<sup>32</sup> EDA also notes that all firms completing the adjustment program were still in operation—suggesting an impressive “survival rate”—particularly given that all these firms have the additional burden of adjusting to import competition.<sup>33</sup>

In analyzing earlier EDA reports (FY2010 to FY2012), GAO concluded that these trends provide only a limited understanding of program effectiveness. The data on employment and productivity are derived from annual surveys conducted by the 11 TAACs. The data are then aggregated and presented as part of the congressionally required annual report. Employment effects are referred to as number of “jobs impacted,” or number of jobs retained or generated at firms completing at least one technical assistance project.

Declines in employment do not necessarily reflect TAAC performance. Employment can fall dramatically for firms that are hit by a surge of foreign import competition, declines in exports, or by market disruptions that are not trade-related. In the two reporting years following firms’ completion of business recovery programs, firms may continue to experience increased import competition or other negative effects (for instance, a slow economic recovery from the 2008 recession).

Under these circumstances, the fact that employment losses continue after an adjustment proposal has been completed is not necessarily an unexpected or negative outcome in terms of trade adjustment assistance effectiveness. Whether the current one- and two-year post-TAAF-exit

<sup>30</sup> Sallie James, *Trade Adjustment Assistance*, Cato Institute, May 2011, <http://www.downsizinggovernment.org/sites/downsizinggovernment.org/files/pdf/labor-trade-adjustment-assistance.pdf>. Also see Cathleen Cimino-Isaacs and Gary Clyde Hufbauer, *The Fate of Trade Adjustment Assistance: The Basics*, Peterson Institute for International Economics, June 11, 2015, <http://blogs.piie.com/trade/?p=312>.

<sup>31</sup> §255A of Chapter 3 of Title II of the Trade Act of 1974, as amended.

<sup>32</sup> Productivity is defined as sales per worker, a simple measure that can be used across industries, but which may have limitations for evaluative purposes. See Annual Report 2018, p. 2.

<sup>33</sup> EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program, Fiscal Year 2018*, p.3.

reporting periods provide enough time and data to assess the effectiveness of recovery programs, it is possible that a number of successful TAAF participants will continue to face increased competition that results in some program participants operating at levels of output or employment that existed prior to TAAF assistance.

As noted in the previous section, caution is warranted when drawing conclusions on the basis of limited trend data. EDA figures reflect employment trends that could be attributable to the TAAF program. A more rigorous analysis would be needed to estimate and isolate the effects of the TAAF program from other factors that affect employment trends in TAAF-participating firms. To more accurately assess the effectiveness of the TAAF program in terms of helping firms or “saving jobs,” it would be necessary to use more sophisticated methodologies and analyses (such as those employed and recommended by GAO) than Congress currently requires for the TAAF annual report.

With respect to the reported high “survival rate” for firms that completed the TAAF program, they represent only about half of all firms that had their adjustment proposals approved for assistance. In FY2018, 187 firms successfully exited the program and 28 did not complete the program for various reasons, including that the firm was acquired or sold, went out of business, failed to submit the AP within two years after TAA certification or failed to implement the AP, or suffered bankruptcy.<sup>34</sup> Given that TAAF focuses primarily on small- and medium-size firms that face multiple challenges, it is not entirely surprising that many firms that receive TAAF certifications are unable to complete the program.

It is difficult to compare firms because they enter and exit the TAAF program in different years, and some firms participate in more than one TAAF adjustment program at the same time. Yet, reporting indicates that the TAAF program is successful in assisting a significant percentage of firms through a recovery process that can last from two to seven years, which can lead to the conclusion that the limited amount of funds available to trade-impacted firms through the TAAF program may amount to a relatively efficient policy tool.

In a final section, the FY2012 through FY2018 TAAF annual reports offer anecdotes collected from the TAACs that provide success stories about participating firms from all parts of the country and in various industries that used TAAF assistance. Although these examples may identify TAAC-provided assistance to select firms, they do not demonstrate the extent to which TAAF or the TAACs provided the assistance that may have been critical to the success of any one particular firm to succeed where others do not. Whether some firms might have been able to adjust on their own cannot be determined.<sup>35</sup>

## Rationale and Economics of Trade Adjustment

Economists tend to agree that in defining the rules of exchange among countries, freer trade is preferable to protectionism. Insights from trade theory point to the mutual gains for countries trading on their differences, producing those goods at which they are relatively more efficient, while trading for those at which they are relatively less so. Additional gains are realized from intra-industry trade based on efficiencies from segmented and specialized production.<sup>36</sup> Firm-level evidence supports this theory. Trade appears to “enable efficient producers within an

<sup>34</sup> Ibid, p. 39.

<sup>35</sup> Ibid, p. 43-48.

<sup>36</sup> For an accessible and authoritative summary of these effects, see Paul Krugman, “The Increasing Returns Revolution in Trade and Geography,” *American Economic Review*, vol. 99, no. 3 (June 2009), pp. 561-571.

industry, and efficient industries within an economy, to expand,” leading to a reallocation of resources that increases a country’s productivity, output, and income.<sup>37</sup> Consumers (both firms and households) also gain from a wider variety of goods and lower prices.

However, increased competition from trade liberalization also creates “winners and losers,” presenting adjustment problems for all countries. Some firms may grow as they expand into new overseas markets, while others may contract, merge, or fail when faced with greater foreign competition. While the adjustment process may be healthy from a macroeconomic perspective, much like market-driven adjustments that occur for reasons other than trade (e.g., technological changes, weather-related disasters), the transition can be hard on some firms and their workers.<sup>38</sup>

Critics of free trade agreements often highlight the adjustment costs of reducing trade barriers. To avoid business closures and layoffs, firms likely to be affected by increased trade may seek to weaken, if not defeat, trade liberalizing legislation. This makes economic sense from the perspective of the affected industries, firms, and workers, but economists argue that in the long run it can be more costly for the country as a whole. The costs of protection arise because competition is suppressed, reducing pressure on firms to innovate, operate more efficiently, and become lower-cost producers. The brunt of these costs falls to consumers, both individuals and businesses, who must pay higher prices, but the national economy is also denied forgone productivity gains.

One way to balance the large and broad-based gains from freer trade with the smaller and more highly concentrated costs is to address the needs of firms negatively affected, such as through the TAA programs, including the one for firms.<sup>39</sup> Supporters justify TAA policy on grounds that (1) it helps those who are hurt by trade liberalization; (2) the economic costs are lower than protectionism and can be borne by society as a whole; and (3) given rigidities in the adjustment process, it may help redeploy economic resources more quickly, thereby reducing productivity losses and related public sector costs (e.g., unemployment compensation). Others dispute these claims and have raised concerns over the effectiveness and costs of the program, arguing that it should be limited or discontinued.<sup>40</sup>

## Global Value Chains and the Digital Economy

In debates over trade liberalization, some observers may not appreciate the full impact that globalization and digitization trends are having on trade. While trade liberalization may present greater import competition for SMEs domestically, globalization and digitization also present opportunities for growth. The emergence of global value chains (GVCs) and the internet revolution provide possible growth opportunities for firms as foreign markets are opened through trade liberalization. TAAF programs offer one way to help SMEs to gain the knowledge and skills needed to take advantage of these global shifts. The programs can help SMEs to improve their

<sup>37</sup> On how trade affects total factor productivity based on U.S. manufacturing firm and plant level data, see Andrew B. Bernard and J. Bradford Jensen, “Exporting and Productivity in the USA,” *Oxford Review of Economic Policy*, vol. 20, no. 3 (2004), pp. 343-344, 350, 352, and 356.

<sup>38</sup> Both the benefits and costs of trade derive from resources moving from less to more productive plants (intra-industry) and firms (inter-industry). Employment dislocation is the most noticeable cost, giving rise to congressional interest in TAA programs. *Ibid.*, pp. 345 and 356.

<sup>39</sup> Howard F. Rosen, *Strengthening Trade Adjustment Assistance*, Peterson Institute for International Economics, Policy Brief PB08-2, Washington, DC, January 2008, pp. 1-2.

<sup>40</sup> A discussion of both sides of the argument may be found in nondistributable CRS Report R41922, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, by J. F. Hornbeck, available to congressional clients on request.

position by integrating into a GVC or using digital platforms to reach new markets, thus offsetting losses that may occur as a result of trade liberalization.

GVCs are mainly organized and coordinated by large multinational companies (MNCs) and account for more than 70% of global trade in goods and services and capital goods. A large share of global trade takes place within GVCs in the form of imports and exports of intermediate (or unfinished) goods and services that move within, between, and among countries. This system of production depends on the willingness of many countries to import in order to export. The WTO's "Made in the World" initiative finds that the increased use of GVCs has led industries globally to demand greater trade liberalization and lower protectionism as these firms depend on other links in the value chain, both domestic and foreign.<sup>41</sup>

Cross-border production and trade in intermediate goods have increased the number of jobs in the economy that are tied directly and indirectly to international trade in ways that are not always fully visible. At the domestic level, the U.S. small- and medium-sized domestic producers that sell goods and services to multinational exporters are not counted as exporters—even though they may contribute a substantial amount of the value added in U.S. exports. Unlike most other major industrialized, emerging, and developing economies, the United States is less dependent on imports of foreign intermediate goods for its exports.<sup>42</sup> Instead, small- and medium-size domestic firms are, in the aggregate, major suppliers of goods (parts, components, and finished products) and services to large U.S. exporters. For example, in 2016, the largest share of the total value of U.S. exports was *domestic value added*, both direct and indirect, which accounted for 87% of the total value added through the various parts of the supply chain and through various stages of production.<sup>43</sup>

Given that the main focus of TAAF is on troubled SMEs, the magnitude of U.S. SME-produced goods that are exported by GVCs suggests that the TAAF program could assist and encourage linkages between these troubled enterprises and the multinationals that are major exporters of their inputs. Although many SMEs have built strong ties to large U.S. exporters and MNCs, liberalized trade policies adopted by the United States or other countries, new technologies, or macroeconomic conditions could potentially erode the incumbent position and domestic advantages of U.S. SMEs. A potential question is whether the EDA, through the TAAF program and the TAACs, could assist trade-impacted firms in developing more relationships with MNCs, as well as analyzing the necessary conditions that would allow TAAF-participating firms to have a realistic chance of doing so.

The high volume of trade that flows through GVCs and the predominant position of the United States as a major hub and headquarters nation suggests the possibility that such chains could be a source of opportunity for U.S. trade-impacted firms.<sup>44</sup> Another opportunity related to GVCs is the

<sup>41</sup> Yildirim Aydin, *Value Added Trade, Global Value Chains, and Trade Policy: Renewed Push for Trade Liberalization*, University of Antwerp (Centre for Institutions and Multilevel Politics), WTO Made in the World discussion forum, September 1, 2015. [https://www.wto.org/english/res\\_e/statis\\_e/miwi\\_e/paper\\_january15\\_e.htm](https://www.wto.org/english/res_e/statis_e/miwi_e/paper_january15_e.htm).

<sup>42</sup> Brazil and Russia, large emerging economies, have traditionally been the two major exceptions. Russia's low level of foreign content reflects strong exports by mining and related sectors. Brazil similarly relies on strong exports of mining as well as agriculture and its manufacturing sector has become more oriented to the domestic market. <https://www.oecd.org/sti/ind/measuring-trade-in-value-added.htm>.

<sup>43</sup> The domestic value-added share of U.S. exports can be segmented further into three components that are associated with producing goods for export: (1) those activities that are directly involved in production (which accounted for more than half of the value added of U.S. exports); (2) those activities that are indirectly involved in production; and, (3) domestic value added that was exported in goods and services that subsequently were used to produce imports of intermediate goods and services that, in turn, were exported as final products (less than 1% of the value added).

<sup>44</sup> OECD/WTO, *Trade in Value Added (TIVA) Indicators: United States (Country Notes)*, May 28, 2013,



growing demand for a skilled workforce to operate and support supply chains.<sup>45</sup> Pairing a TAAF-qualified firm with MNCs or companies focused on supply chain may provide opportunities for EDA to help firms through TAAF meet growing demand.

EDA produces an annual report for Congress on the operations of the TAAF program, but among the data requirements established by Congress in the TGAAA, as amended, there are no performance measures that document or report on TAAF-participating firms that sell goods or services to U.S. exporters (in terms of number of firms assisted and value of goods sold), or that provide data on direct exports by firms receiving TAAF assistance.

The COVID-19 pandemic and related economic downturn have illustrated the importance of the role of digitization and the digital economy. The digital economy facilitates global trade and opens potential new markets for SMEs. Digital platforms, including online communication tools and e-commerce websites, can minimize costs and enable SMEs to grow through extended reach to new partners, customers and markets or by integrating into a GVC. The COVID-19 pandemic related restrictions placed on businesses and customers has accelerated the shift to digital tools and online sales to reach local, regional or international markets.

Using digital platforms, many such firms that in the past might not export or seek new markets abroad are more easily able and willing to conduct business in global markets. In addition, increased digitization of customs and border control mechanisms helps simplify and speed delivery of imported goods to customers, making them more attractive to foreign buyers. As a result, digitization can enable SMEs to serve the new markets abroad that are opened by trade liberalization. For example, a study of U.S. SMEs on the e-commerce platform eBay found that 96% of SMEs export compared to 1% of traditional businesses; looking across U.S. states, the range was of exporters was 94 to 97%.<sup>46</sup> According to eBay, 56% of its U.S. SMEs export to 10 or more markets.<sup>47</sup> TAAF programs provide one channel for helping trade-impacted SMEs make the necessary shifts and gain the skills to succeed in online marketplaces and keep up with technological changes.

## The Limits of Trade Adjustment Assistance

The TAAF program targets those firms impacted specifically by import competition and not by other forms of trade or market disruption. Other federal programs provide assistance for other forms of economic disruption. A 2019 GAO analysis identifies multiple potential causes of disruption, including trade agreements, defense or energy policy changes, emerging technologies, and shifting business models.<sup>48</sup> The report provides an inventory of economic adjustment assistance programs that respond to economic disruptions, including TAAF. While TAAF is solely focused on assisting businesses, other programs target a mix of individuals, businesses, communities, and other beneficiaries (e.g., coal communities, health tax credits).

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[http://www.oecd.org/sti/ind/TiVA\\_USA\\_MAY\\_2013.pdf](http://www.oecd.org/sti/ind/TiVA_USA_MAY_2013.pdf). Data is for 2009. For an explanation of the OECD/WTO Trade In Value Added (TiVA) Indicators, see their *Guide to Country Notes*, May 28, 2013, [http://www.oecd.org/sti/ind/TiVA\\_Guide\\_to\\_Country\\_Notes.pdf](http://www.oecd.org/sti/ind/TiVA_Guide_to_Country_Notes.pdf).

<sup>45</sup> See <http://www.datexcorp.com/labor-shortages-in-the-supply-chain-workforce> for more information.

<sup>46</sup> eBay, “United States Small Online Business Growth Report,” July 2020, p. 5, [https://www.ebaymainstreet.com/sites/default/files/policy-papers/us\\_small\\_online\\_business\\_report\\_2020.pdf](https://www.ebaymainstreet.com/sites/default/files/policy-papers/us_small_online_business_report_2020.pdf).

<sup>47</sup> *Ibid*, p.2.

<sup>48</sup> U.S. Government Accountability Office, *Economic Adjustment Assistance: Federal Programs Intended to Help Beneficiaries*, GAO19-85R, March 5, 2019, <https://www.gao.gov/assets/700/697222.pdf>.

TAAF is not intended to address all potential disruptions that confront firms involved in international trade. Such disruptions can include an economic downturn that leads to suppressed demand by foreign customers; increased costs or lowered demand due to tariffs and trade disputes; or supply chains affected by protectionism or other policy shifts. In the 116<sup>th</sup> Congress, some Members have introduced bills to expand the scope of TAAF to address additional trade-related elements of economic disruption. For example, one bill introduced (H.R. 6124) would extend TAAF to cover firms whose exports declined because of foreign retaliatory measures adopted in repose to tariffs imposed under the Trump Administration. Other proposals focus on the TAA for Workers program to assist workers whose jobs are eliminated through automation (see S. 3034) or those adversely affected by disruptions in global supply chains from the Coronavirus Disease (COVID-19) (see H.R. 6205).

Trade adjustment assistance can play a role in helping companies adapt to a changing environment. Enabling firms to adopt greater digitization or automation, target new markets, or develop business continuity plans to increase resilience may lead the firm to need a different workforce with different skills. Upskilling the workforce of a single TAAF company or helping that firm recruit and possibly relocate new trained workers could be part of a business recovery plan under TAAF. However, broader government or private sector programs are likely needed to address broader educational and training needs of entire industries or sectors.

## Issues for Congress

As Congress considers trade liberalization agreements and ongoing trade negotiations, it may wish to further examine the TAAF in light of the current debate of its effectiveness and the impact of international trade on the U.S. economy and recent trends. An implementing bill for a new trade agreement and upcoming expiration of TPA may provide Congress an opportunity to reexamine and potentially revise the TAA programs. In addition to adjusting appropriations levels, Congress could examine changing the current program or EDA's administration of it.

Potential options for Congress to consider on TAAF may include:

- determining if the program should be limited to assisting firms who face competition from imports or if it should be expanded to assist firms who face increased costs or decreased demand due to changes in domestic or foreign tariffs or other trade-related policies;
- determining if current funding levels are appropriate;
- further refining the performance metrics to measure the employment or economic impact of TAAF programs;
- placing a stronger emphasis on assisting SMEs to utilize technology to improve operational efficiency, expand into new markets, including through e-commerce, and take fuller advantage of an increasingly digitally driven economy;
- facilitating partnerships with large multinational companies to support SME integration into GVCs;
- facilitating partnerships with educational institutions or programs to train workers for digital or other skills needed by the TAAF firm or other employers;

- aligning Federal programs by linking qualified workers of a TAAF firm with the TAA for Workers program under the Department of Labor;<sup>49</sup> or
- consolidating or streamlining TAAF with other federal programs that assist troubled SMEs such as those operated by the Small Business Administration (SBA).<sup>50</sup>

While TAAF has traditionally focused on firms who can demonstrate they *have been harmed* by import competition, Congress could also explore the feasibility and possible steps that could or should be taken *before* firms are harmed. Congress might consider requiring EDA to conduct outreach and education on pending trade liberalization agreements. The analysis of each proposed trade agreement by the USITC may help identify industries or regions as potentially vulnerable or likely to experience a negative impact as a result of proposed trade liberalizing measures.<sup>51</sup> For example, the USITC economic impact assessment report for the Trans-Pacific Partnership (TPP), before the United States withdrew from the negotiations, contended that U.S. demand for business services would outstrip supply, presenting opportunities for growth, while employment could decline in certain manufacturing and transport sectors.<sup>52</sup> Congress could, for example, consider requiring EDA to prepare a capacity building plan to assist those industries or regions that the USITC identifies as potentially vulnerable or likely to experience a negative impact from implementation of a proposed trade agreement.

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<sup>49</sup> For more information on TAA for Workers, see CRS Report R44153, *Trade Adjustment Assistance for Workers and the TAA Reauthorization Act of 2015*, by Benjamin Collins.

<sup>50</sup> For more information on SBA programs, see CRS Report RL33243, *Small Business Administration: A Primer on Programs and Funding*, by Robert Jay Dilger and Sean Lowry.

<sup>51</sup> The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 H.R. 1890 requires the USITC to prepare a report that assesses the likely impact of a potential trade agreement on the U.S. economy as a whole and on specific industry sectors and the interests of U.S. consumers. The USITC's report is due to the President and the Congress no more than 105 days after the President signs a potential trade agreement. For more information, see CRS Report R43491, *Trade Promotion Authority (TPA): Frequently Asked Questions*, by Ian F. Fergusson and Christopher M. Davis.

<sup>52</sup> U.S. International Trade Commission, *Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors*, May 2016, <https://www.usitc.gov/publications/332/pub4607.pdf>.

## Appendix. Acronyms

### Glossary

<b>AP</b>	Adjustment proposal
<b>ARRA</b>	American Recovery and Reinvestment Act of 2009
<b>BLS</b>	Bureau of Labor Statistics (of the Department of Labor)
<b>EDA</b>	Economic Development Administration (of the Department of Commerce)
<b>FTAs</b>	Free trade agreements
<b>GVCs</b>	Global value chains
<b>GAO</b>	Government Accountability Office
<b>MNCs</b>	Multinational companies
<b>OECD</b>	Organization for Economic Co-operation and Development, a 37-member organization of the world's most advanced countries and emerging countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States.
<b>SMEs</b>	Small and medium-sized enterprises
<b>G20</b>	The Group of Twenty, major advanced and emerging economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union.
<b>TAA</b>	Trade Adjustment Assistance
<b>TAAEA</b>	Trade Adjustment Assistance Extension Act of 2011
<b>TAARA</b>	Trade Adjustment Assistance Reauthorization Act (TAARA) of 2015
<b>TAACs</b>	Trade Adjustment Assistance Centers
<b>TAAF</b>	Trade Adjustment Assistance for Firms
<b>TGAAA</b>	Trade and Globalization Adjustment Assistance Act of 2009
<b>USITC</b>	U.S. International Trade Commission

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