FACT SHEET: President Obama Signs Two Bills Into Law to Rewrite the Rules of Global Trade

Bills will Raise Standards for Labor and the Environment; Increase Trade Ties with Africa and other Developing Regions; and Add Support and Additional Protections for American Workers Affected by Globalization

Today, the President signed into law two bills that will help us write the rules of global trade to benefit American workers and American businesses. The first—Trade Promotion Authority (TPA)—will help us lock in new, 21st-century trade agreements, with higher standards and tougher protections. Trade Promotion Authority has now been granted to all but one of the thirteen presidents since President Franklin Roosevelt’s administration—Democrats and Republicans alike. TPA will strengthen the President’s leverage to close out negotiations on a high-standard trade deal with eleven countries in the fast-growing Asia-Pacific region that includes strong protections for workers and the environment. And unlike previous trade agreements, those provisions will be at the core of the agreement and will actually be enforceable, helping to level the playing field for American businesses and American workers.

In addition to signing Trade Promotion Authority, today the President signed into law a series of vital trade-oriented programs that support development and poverty reduction abroad, as well as job training and other support for displaced workers at home. The Trade Preferences and Extension Act—which passed both houses of Congress with overwhelming bipartisan support—includes: the African Growth & Opportunity Act (AGOA), Generalized System of Preferences (GSP), the Haitian Hemispheric Opportunity through Partnership and Encouragement Act (HOPE II), Trade Adjustment Assistance (TAA), and the Level the Playing Field Act (LTPF).

**Extending the African Growth and Opportunity Act (AGOA)**

Since it was first signed into law in 2000, The African Growth and Opportunity Act (AGOA) has been a catalyst for the growing partnership between Africa and the United States, providing tangible economic benefits and vital economic opportunities to sub-Saharan Africa and the United States by supporting regional integration and supply chain development, helping African companies improve their competitiveness, and fostering an enabling environment for private sector investment. The AGOA program, which was set to expire at the end of September, reflects our shared values by providing incentives to adopt good governance and pro-growth and pro-development policies, including on worker rights and human rights.

The AGOA bill signed today:
Provides a 10-year extension of the program, through September 30, 2025, giving investors and U.S. businesses the certainty they need to consider Africa as a destination for investment and a source for their purchases.

Reaffirms the importance of deeper and expanded U.S. trade and investment ties with sub-Saharan Africa and promotes greater regional integration.

Gives the Administration the ability to withdraw, suspend, or limit benefits under the program if AGOA countries are not in compliance of eligibility criteria, including progress toward establishing market-based economies, policies that support poverty reduction, rule of law and efforts to fight corruption, and protect human rights, including internationally recognized worker rights.

A renewed and improved AGOA will work alongside other initiatives the Administration is taking in the region—such as Trade Africa, Power Africa, Feed the Future, and targeted trade and investment capacity building—to promote economic growth and expand our partnerships in Africa.

Extending the Generalized System of Preferences (GSP)

The GSP program, instituted by the Trade Act of 1974, is designed to promote economic growth in the developing world by providing preferential duty-free entry into the U.S. market for nearly 5,000 products from 122 designated beneficiary countries and territories. Congressional authorization for the program expired on July 31, 2013. U.S. businesses imported $20 billion worth of products under the GSP program in 2012, the last full year during which the program was authorized. Products that are eligible for duty-free treatment under GSP include: most manufactured items; many types of chemicals, minerals and building stone; jewelry; many types of carpets; and certain agricultural and fishery products.

GSP is the oldest U.S. trade preference program, promoting sustainable development in beneficiary countries by helping them to increase and diversify their trade with the United States. It fosters innovation and U.S. competitiveness by lowering costs of goods from beneficiary countries and supports U.S. jobs through the movement of GSP products from ports to manufacturers, farmers, and stores.

Since authorization of the GSP program lapsed in mid-2013, U.S. businesses that utilize GSP have paid over $1 billion dollars in tariffs on GSP products that previously entered the United States duty-free. This has been an especially heavy burden for the many thousands of small businesses that count on GSP to keep their costs down. Renewal of the program will eliminate these duty costs on GSP goods, ease the flow of trade from many developing countries, including some of the poorest countries in the world, and benefit U.S. businesses and consumers alike.
The Haitian Hemispheric Opportunity Through Partnership Encouragement Act (HOPE II)

Haiti is the poorest country on the Western Hemisphere. HOPE II ensures that Haiti’s apparel industry, which is a large source of employment, receives support by increasing access to consumers. In 2013, total export revenues from the textile and garment industry accounted for 91 percent of Haiti’s national export earnings and 10 percent of national GDP. The apparel industry is also among the largest employers within Haiti, creating jobs for nearly 30,000 people; sixty-five percent of these workers are women. The legislation passed by Congress today extends duty-free benefits on apparel exports from Haiti until September 30, 2025. The HOPE II program has had a clear and direct role in supporting the creation of thousands of jobs in the textile and garment sectors, while providing important protections to workers.

Extending and Expanding Trade Adjustment Assistance (TAA)

Trade Adjustment Assistance (TAA) is a Department of Labor program that provides vital job training, income support, and other benefits to American workers displaced by the forces of globalization. Over the last 40 years, TAA has supported more than 2.2 million workers in all 50 states and Puerto Rico. And data shows that the program helps Americans get back to work – last year, nearly 77 percent of TAA participants found employment within 6 months of completing the program, and 90 percent still had jobs 6 months later.

The President signed into law a six-year extension of TAA that strengthens the program, extending support to tens of thousands of additional workers a year by restoring provisions that expired at the end of 2013. Among other key improvements to the existing program, the TAA legislation the President signed:

- Includes service workers in the program—restoring an expansion put in place for the first time under President Obama in 2009. When service workers were eligible prior to this expansion lapsing in 2013, they represented nearly half of the program certifications.

- Covers service workers retroactively, allowing more than 17,000 service workers who have had their previous petitions denied since the expanded TAA program lapsed in late 2013 to reapply for benefits.

- Expands benefits to include workers affected by trade with any country, whether we have a trade agreement with them or not, meaning workers affected by trade with countries like China and India will again be covered.

- Offers up to 130 weeks of Trade Readjustment Allowance (TRA), or income support, to ensure that eligible workers can meet their financial obligations while
participating in full-time training. Workers now have TRA support for long enough to complete a two-year training program.

- Offers a wage supplement for workers over 50 who get a new job, making up a portion of the difference between their new wage and old wage. These workers also can combine work with training to stay competitive in the workforce.

- Provides case management services to help workers find re-employment through skills assessments, individualized training plans, career counseling, financial aid information, and referrals for supportive services.

**Level the Playing Field Act (LTPF)**

This provision closes loopholes and codifies important Department of Commerce practices, providing support to domestic industry users of U.S. trade remedy laws—such as the steel and steel products, paper, and chemicals industries, as well as labor and trade unions. Level the Playing Field will enhance the Department of Commerce’s ability to get the information it needs in antidumping and countervailing duty proceedings, including from non-cooperative foreign companies and governments. It will also enhance the International Trade Commission’s ability to assess injury caused to American manufacturers and their workers by unfairly traded imports. Other provisions of the legislation further support the effective enforcement of our antidumping and countervailing duty laws by codifying existing Department of Commerce practices that help stop unfair pricing by foreign exporters or subsidization by their governments.