



# LED Committee Report

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*An Information Service of the NCSL Labor and Economic Development Committee*

## LABOR AND ECONOMIC DEVELOPMENT COMMITTEE UPDATE

### Expiring Labor and Economic Development Policies

The Labor and Economic Development Committee will review six policies which are set to expire at the 2011 NCSL Legislative Summit in San Antonio, Texas. Links to the full text of the policies are found below.

- Coordination of Social Security and Workers' Compensation Benefits <http://www.ncsl.org/?TabId=16748>
- Maintaining the Solvency of Social Security (Joint policy with Human Services and Welfare Committee) <http://www.ncsl.org/?TabId=16754>
- Mine Safety <http://www.ncsl.org/?TabId=16757>
- Presidential Trade Promotion Authority <http://www.ncsl.org/?TabId=16761>
- Western Hemisphere Travel Initiative <http://www.ncsl.org/?TabId=16772>
- World Trade Organization Negotiations <http://www.ncsl.org/?TabId=16773>

Policies may be taken up and acted upon during any of the three meetings of the NCSL Standing Committees during the 2010 - 2011 conference year. The Committee has already met at the Fall Forum in Phoenix, in December 2010, and will convene at the 2011 Spring Forum in Washington, D.C., and the NCSL Legislative Summit in San Antonio, Texas.

New policies or amendments for the Committee to consider should be submitted by April 5, 2011 to:

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### NCSL Policy Process

The Standing Committees are responsible for developing the official lobbying policies for NCSL to use in lobbying the U.S. Congress on behalf of the states. Sometimes the NCSL policy process may seem like a bit of a mystery but it needn't be. To learn more about the policy process, visit <http://www.ncsl.org/default.aspx?TabId=19109>. It includes an overview of the process and links to NCSL's Bylaws and Committee procedures, where you can find more details.

You'll find all of the policies under the jurisdiction of the Labor and Economic Development Committee at <http://www.ncsl.org/?tabid=16166>

## UPCOMING MEETINGS

### Spring Forum

The Labor and Economic Development Committee will be meeting at the NCSL Spring Forum meeting, April 14-16, 2011, at the Marriott Wardman Park Hotel in Washington, D.C.

Committee Officers are currently working on an agenda for the meeting, to determine programs and speakers. The committee will also review some of the current policies that are set to expire at the Legislative Summit this summer. Below is the preliminary schedule for the Spring Forum.

### Spring Forum Preliminary Schedule

#### Thursday April 14

7:30 am	5:30 pm	Registration
8:00 am	Noon	Pre-Conference Meetings
11:30 am	12:30 pm	Steering Committee Meeting
1:00 pm	4:00 pm	Standing Committee Meetings
4:15 pm	5:30 pm	Opening General Session
6:00 pm	7:30 pm	Reception

#### Friday, April 15

7:00 am	5:00 pm	Registration
7:30 am	9:00 am	General Session Breakfast
9:15 am	12:30 pm	Standing Committee Meetings
12:45 pm	2:15 pm	General Session Luncheon with Keynote Speaker Jim Leach
12:45 pm	2:15 pm	Steering Committee (opposite General Session)
2:30 pm	4:00 pm	Issue Forums
4:00 pm	5:00 pm	NCSL Business Meeting
6:00 pm	7:30 pm	Reception

#### Saturday, April 16

8:00 am	2:00 pm	Post-Conference Meetings
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For more information on the Spring Forum, including registration, hotel and agenda details, please visit the main meeting page, at: <http://www.ncsl.org/Default.aspx?TabID=714&tabs=2638,122,919#919>

### 2011 NCSL Legislative Summit

Mark your calendars for the NCSL Legislative Summit - San Antonio, August 8-11, 2011.

## IN THE NEWS

### National Unemployment Drops to 9.4% for December 2010

Unemployment fell by almost half a percentage point in December, dropping the national unemployment rate to 9.4%, according to figures released by the Bureau of Labor Statistics on Friday, January 7, 2011. Unemployment has been high but relatively stable throughout 2010, ranging from 9.5 to 9.9%. December's figure of 9.4% is the lowest unemployment rate for all of 2010.

<http://www.ncsl.org/default.aspx?TabId=13307>

### **State Unemployment Rates For December 2010**

Unemployment rates remained little changed for the states in December, 2010. Rates decreased in 15 states, the District of Columbia and Puerto Rico. Unemployment rates remained the same in 15 states and increased in 20 states, although the increases were statistically significant in only two states. Comparisons from a year ago point to an easing of unemployment. Overall, thirty-one states and D.C. had lower unemployment rates in December 2010, than in December 2009. Unemployment at the national level also dropped significantly over the year, from 10.0% in December 2009, to 9.4% in December 2010.

<http://www.ncsl.org/default.aspx?TabId=13308>

### **Union Membership Down in 2010**

In 2010, the union membership rate was 11.9 percent, down from 12.3 percent a year earlier, according to figures released by the U.S. Bureau of Labor Statistics on January 21, 2011. The number of wage and salary workers belonging to unions declined by 612,000 to 14.7 million. In 1983, the first year for which comparable union data are available, the union membership rate was 20.1 per-cent, and there were 17.7 million union workers.

<http://www.bls.gov/news.release/union2.nr0.htm>

### **Consumer Price Index Rises by 0.5% in December**

The U.S. Bureau of Labor Statistics released an update on the Consumer Price Index for all Urban Users in January, showing an increase of 0.5 percent in December on a seasonally adjusted basis. Over the last 12 months, the All Items index increased 1.5 percent before seasonal adjustment.

<http://www.bls.gov/news.release/cpi.nr0.htm>

### **Mining Deaths Increased in 2010**

Mining fatalities in the United States significantly increased in 2010, following a year marked by the fewest deaths in mining history, according to the U.S. Department of Labor's Mine Safety and Health Administration. Seventy-one miners died on the job last year, compared to 34 in 2009. Forty-eight of those deaths occurred in coal mines, and 23 occurred at metal and nonmetal operations. Of the 71 mining fatalities reported, 23 of those victims were killed in surface mining accidents, while 48 miners died in underground mining accidents, including 29 who were killed in an explosion at the Upper Big Branch mine in April, 2010.

<http://www.dol.gov/opa/media/press/msha/MSHA20110029.htm>

### **U.S. Dept. of Labor and Massey Energy Research Settlement Over Mine Closure**

The U.S. Department of Labor's Mine Safety and Health Administration (MSHA) and Massey Energy reached a settlement agreement in a case involving Freedom Energy Mining Co.'s Mine No. 1 located in Pike County, Ky. In November 2010, MSHA filed a motion in federal court for preliminary injunction against the mine for habitual noncompliance with health and safety standards. Shortly thereafter, Massey announced plans to idle the mine permanently. The Court Order requires Freedom Energy to comply with a recovery plan that will ensure the health and safety of miners who continue to work at the mine as they dismantle and remove mine equipment in preparation for permanent closure.

<http://www.dol.gov/opa/media/press/msha/MSHA20110022.htm>

### **\$500 Million in Community College and Career Training Grants Available Under Trade Adjustment Assistance**

The U.S. Department of Labor has announced a solicitation for grant applications under the Trade Adjustment Assistance Community College and Career Training Grant Program. The Labor Department will award approximately \$500 million this year through the program and a total of \$2 billion over the next four years. Grants will support the development and improvement of postsecondary programs of two years or less that use evidence-based or innovative strategies to prepare students for successful careers in growing and emerging industries. The program will be administered by the Labor Department in coordination with the U.S. Department of Education. Applicants must be community colleges or other two-year degree granting institutions of higher education. By statute, every state, D.C., and Puerto Rico, will receive at least \$2.5 million each year in grant awards. The grant program will expand opportunities for workers by: accelerating progress and reducing time to completion; improving retention and achievement rates; building instructional programs that meet industry needs; and strengthening online and technology-enabled learning. For more information, see the solicitation at

<http://www.dol.gov/opa/media/press/eta/eta20101436.htm>

## NEW REPORTS

### *Bureau of Labor Statistics*

#### **Guide To State And Local Workforce Data**

The U.S. Dept. of Labor has Published the “*Guide To State And Local Workforce Data: For Analysis And Informed Decision Making.*” There is a wealth of state and local employment and economic data – most of it free – from government and private sector sources but it can be hard to know what’s available and where to look. The Guide is designed to help users quickly locate the type of research data they need. DOL has organized available information by topic to make it easier to find and use. Internet links are provided to go directly to the source of information described and there are contacts listed for more information on many topics.

[http://wdr.doleta.gov/directives/attach/workforcedata\\_guide.pdf](http://wdr.doleta.gov/directives/attach/workforcedata_guide.pdf)

#### **Monthly Labor Review Online – December 2010 issue**

The featured articles in December’s *Monthly Labor Review* are:

- The U.S. Housing Bubble and Bust: Impacts on Employment
- Bringing Work Home: Implications for BLS Productivity Measures
- Duration of Unemployment in States, 2007–09

<http://www.bls.gov/opub/mlr/2010/12/mlr201012.pdf>

### *Congressional Budget Office*

#### **Budget and Economic Outlook: Fiscal Years 2011 Through 2021**

The Congressional Budget Office published a new fiscal outlook report, *Budget and Economic Outlook: Fiscal Years 2011 Through 2021*, in January 2011. The United States faces daunting economic and budgetary challenges. The economy has struggled to recover from the recent recession, which was triggered by a large decline in house prices and a financial crisis—events unlike anything this country has seen since the Great Depression. During the recovery, the pace of growth in the nation's output has been anemic compared with that during most other recoveries since World War II, and the unemployment rate has remained quite high.

[http://www.cbo.gov/ftpdocs/120xx/doc12039/01-26\\_FY2011Outlook.pdf](http://www.cbo.gov/ftpdocs/120xx/doc12039/01-26_FY2011Outlook.pdf)

#### **Monthly Budget Review**

The Monthly Budget Review for January 2011 shows the federal budget deficit was \$371 billion in the first quarter of fiscal year 2011 and, according to CBO calculations, that was \$18 billion less than the shortfall in the same period of fiscal year 2010. Revenues were 9 percent higher than they were a year ago, whereas outlays were only 3 percent higher.

[http://www.cbo.gov/ftpdocs/120xx/doc12041/December\\_MBR\\_Jan2010.pdf](http://www.cbo.gov/ftpdocs/120xx/doc12041/December_MBR_Jan2010.pdf)

### *Congressional Research Office Reports*

(For CRS reports, if the link does not open or you get an error message, copy the link and paste it in your browser.)

#### **Unemployment: Issues in the 112th Congress**

Following the longest and deepest recession since the Great Depression, the National Bureau of Economic Research declared the U.S. economy to be in expansion since June 2009. The unemployment rate in December 2007 was 4.9%; by October 2009, the unemployment rate was above 10%. Although economic output began to grow in the third quarter of 2009, the labor market remained weak into 2010. For the year, unemployment averaged 9.6%, and showed little improvement in the second half of the year. The Blue Chip consensus forecast has the unemployment rate remaining above 9% throughout 2011 and near 9% in 2012. The 112th Congress is likely to be faced with developing legislation to foster job creation.

<http://fpc.state.gov/documents/organization/155621.pdf>

#### **International Trade: Rules of Origin**

Determining the country of origin of a product is important for properly assessing tariffs; enforcing trade remedies such as antidumping and countervailing duties, or quantitative restrictions such as tariff quotas. Other commercial

trade policies are also linked with origin determinations, such as country of origin labeling and government procurement regulations. Rules of origin can be very simple, noncontroversial tools of international trade as long as all of the parts of a product are manufactured and assembled primarily in one country. However, when a finished product's component parts originate in many countries, as is often the case in today's global trading environment, determining origin can be a very complex, sometimes subjective, and time-consuming process. <http://fpc.state.gov/documents/organization/155590.pdf>

#### **International Trade and Finance: Key Policy Issues for the 112th Congress**

The 112th Congress faces a full agenda of international trade and finance issues, including possible approval of a free trade agreement (FTA) with South Korea and possibly FTAs with Colombia and Panama. The Administration is seeking to conclude the much larger ten year-old World Trade Organization's (WTO) Doha Round of multilateral trade negotiations, which, if completed, would also require congressional approval. The Administration is also negotiating a Trans-Pacific Partnership (TPP) Agreement, a regional FTA that currently includes nine countries on both sides of the Pacific.

<http://fpc.state.gov/documents/organization/155582.pdf>

#### **Trade Promotion Authority and Fast-Track Negotiating Authority for Trade Agreements: Major Votes**

This report profiles significant legislation that authorized the use of presidential Trade Promotion Authority (TPA), previously known as fast-track trade negotiating authority, since its inception in 1974. Although TPA expired on July 1, 2007, four free trade agreements were signed in time to be considered under TPA expedited procedures in the 110th Congress, including the U.S.-Peru Trade Promotion Agreement Implementation Act was passed by Congress and signed into law as P.L. 110-138 on December 14, 2007. The legislative future of the three remaining proposed agreements, with Colombia, Panama, and South Korea, is uncertain.

<http://fpc.state.gov/documents/organization/155619.pdf>

#### **Trade Promotion Authority and the Korea Free Trade Agreement**

On June 30, 2007, U.S. and South Korean officials signed the Korea Free Trade Agreement for their respective countries. It is one of three free trade agreements currently awaiting submission to Congress for approval and implementing legislation. In June 2010, the Obama Administration announced plans to seek Congress' approval for the Korea FTA after first engaging in talks with South Korea over U.S. concerns with the agreement as signed, particularly over its provisions involving market access for U.S. autos. These talks were concluded on December 3, 2010 with a supplemental agreement to the 2007 Korea FTA.

<http://fpc.state.gov/documents/organization/154169.pdf>

#### **U.S.-Vietnam Economic and Trade Relations: Issues for the 112th Congress**

Since the resumption of trade relations in the 1990s, Vietnam has rapidly risen to become a significant trading partner for the United States. Bilateral trade has grown from about \$220 million in 1994 to \$15.4 billion in 2009. Vietnam is the second-largest source of U.S. clothing imports, and a major source for footwear, furniture, and electrical machinery. Much of this rapid growth in bilateral trade can be attributed to U.S. extension of normal trade relations status to Vietnam. Another major contributing factor is over 20 years of rapid economic growth in Vietnam, ushered in by a 1986 shift to a more market-oriented economic system.

<http://fpc.state.gov/documents/organization/154173.pdf>

#### **China-U.S. Trade Issues**

U.S.-China economic ties have expanded substantially over the past three decades. Total U.S.-China trade rose from \$2 billion in 1979 to an estimated \$459 billion in 2010. China is currently the second-largest U.S. trading partner, its third-largest export market, and its biggest source of imports. Because U.S. imports from China have risen much more rapidly than U.S. exports to China, the U.S. merchandise trade deficit has surged, rising from \$10 billion in 1990 to an estimated \$273 billion in 2010. The rapid pace of economic integration between China and the United States, while benefiting both sides overall, has made the trade relationship increasingly complex.

<http://fpc.state.gov/documents/organization/154175.pdf>

#### **The Proposed U.S.-Panama Free Trade Agreement**

After two and a half years of negotiation, the United States and Panama signed a reciprocal free trade agreement (FTA), in June, 2007, in time for the FTA to be considered under Trade Promotion Authority (TPA) legislation before it expired on July 1, 2007. TPA allows Congress to consider trade implementing bills under expedited

procedures. Panama’s legislature approved the FTA in 2007 but neither the 110th nor the 111th Congress took up the agreement. Under the agreement, some 88% of U.S. commercial and industrial exports would become duty-free upon implementation, with remaining tariffs phased out over a ten-year period. Over 60% of U.S. farms exports to Panama also would achieve immediate duty-free status, with tariffs and tariff rate quotas on select farm products to be phased out by year 17 of the agreement. Panama and the United States signed a separate bilateral agreement on sanitary and phytosanitary (SPS) issues that would recognize U.S. food safety inspection as equivalent to Panamanian standards, which will expedite entry of U.S. meat and poultry exports.

<http://fpc.state.gov/documents/organization/155011.pdf>

**GAO Reports**

**Employment Verification:** Federal Agencies Have Taken Steps to Improve E-Verify, but Significant Challenges Remain GAO-11-146, Dec 17, 2010.

E-Verify is a system to electronically verify work eligibility and operated by the Department of Homeland Security’s U.S. Citizenship and Immigration Services (USCIS) and the Social Security Administration. GAO testified in June 2008 that ensuring accuracy and combating fraud were challenges facing E-Verify. Since then, USCIS has taken several steps to improve the accuracy of the E-Verify system, including expanding the number of databases queried through E-Verify and instituting quality control procedures.

<http://www.gao.gov/new.items/d11146.pdf>

**H-1B Visa Program:** Reforms Are Needed to Minimize the Risks and Costs of Current Program

GAO-11-26, Jan 14, 2011.

Congress created the H-1B program in 1990 to enable U.S. employers to hire temporary, foreign workers in specialty occupations. The law capped the number of H-1B visas issued per fiscal year at 65,000. In many years, demand for workers exceeded the cap, including for 2005 to 2009.

<http://www.gao.gov/new.items/d11176.pdf>

**NCSL Staff Contacts:**

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~~~~~ **NCSL Standing Committee on Labor and Economic Development** ~~~~~

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