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ROCKEFELLER AND BROWN SAY GAO REPORT REINFORCES NEED TO EXTEND HEALTH CARE TAX CREDIT

*Without Extension of Tax Credit, Eligible Jobless Workers Will be
Forced to Pay Much More for Health Coverage*

WASHINGTON, D.C. — Senators Jay Rockefeller (D-WV) and Sherrod Brown (D-OH) today said that a report from the Government Accountability Office (GAO), reemphasizes the need to extend the Health Coverage Tax Credit (HCTC) to help workers afford health coverage when they lose their jobs because of foreign outsourcing.

Without Congressional action, the HCTC will expire at the end of 2013 and most of the HCTC-eligible workers will receive less generous tax credits, which could make it harder to afford health coverage while also supporting their families as they look for new jobs or receive job training.

“The HCTC is so important because it helps workers who lose their jobs due to outsourcing access affordable health coverage for themselves and their families,” said Rockefeller, who requested the report. **“When you’re already facing a tough financial situation, having to forego regular checkups or avoid going to the doctor when a child is sick only makes things worse. Unfortunately, I have seen too many families in West Virginia lose their health coverage, like the many workers at RG Steel which filed for bankruptcy last year. The HCTC became a lifeline for them. This report reinforces the need for Congress to reauthorize this tax credit and I will keep fighting to extend it.”**

“This is about standing up for hardworking Americans who lost their jobs due to no fault of their own,” said Brown. **“The HCTC ensures that the loss of a job doesn’t mean the loss of all health coverage for workers who have lost their jobs due to unfair foreign trade. In the wake of new figures showing a record trade deficit with China, now is not the time to turn our backs on American workers.”**

“The HCTC has provided a helping hand to thousands of RG Steel workers and retirees who suddenly lost their health care benefits from the company’s bankruptcy,” said John Saunders, contract administrator for the United Steelworkers. **“Without this tax credit, so many workers would**

have been unable to afford health coverage, putting themselves and their families at risk. The situation with RG Steel only reinforces why this tax credit is so important for our workers and retirees. We greatly appreciate the work of Senators Rockefeller and Brown to defend this tax credit, and our members look forward to continuing to work with them to extend those benefits.”

In 2011, as part of negotiations over the approval of trade agreements with South Korea, Panama, and Columbia, Trade Adjustment Assistance (TAA) benefits were temporarily extended, including the HCTC. Unfortunately, that bill also contained a provision allowing the HCTC program to expire at the end of 2013.

Because of this provision, Rockefeller requested the GAO conduct a study on the impact of eliminating HCTC benefits on employees who have been laid off. The released GAO report shows that without HCTC benefits, the majority of Americans eligible for the tax credit will have to pay more for health coverage through other means.

The HCTC is available to laid-off employees receiving TAA benefits, as well as retirees who receive pension payments through the Pension Benefit Guaranty Corporation. It makes health insurance coverage more affordable by providing a 72.5 percent tax credit to eligible workers. The TAA program makes sure that workers who lose their jobs as a result of outsourcing to foreign countries are provided with training and financial assistance to transition to new employment.

Background

Throughout his time in the Senate, Rockefeller has fought to promote American manufacturing, create jobs in West Virginia and throughout the country, and level the playing field for American workers. Rockefeller has:

- Demanded TAA benefits be extended and expanded to include the HCTC for steelworkers and other American workers hit hard by unfair trade. **Most recently, Rockefeller has fought for RG Steel workers and retirees who were who were laid off last year after RG Steel filed for bankruptcy.**
- **Introduced and cosponsored several bills that will help protect existing jobs and create new ones.** This includes two bills that would, respectively, enable American businesses to compete on a level playing field with foreign companies while keeping jobs in this country, and also increase the level of the HCTC to 95 percent of the health insurance premium so that more jobless workers can receive affordable health coverage.

- **Held a series of “Making it in America” roundtables throughout West Virginia.** He heard from industry and labor leaders, as well as business owners and government officials, on how to strengthen West Virginia’s manufacturing sector. Rockefeller continues to hold discussions with West Virginians about this issue.
- **Held two Commerce Committee hearings in Washington, in addition to a hearing in West Virginia.** The hearings focused on the future of manufacturing in America and ways in which the government and industry can promote job growth.
- **Led the Congressional effort to create the Manufacturing Extension Partnership (MEP) program.** Passed into law in 1988, MEP established a network of federal, state, and industry advisors to improve the productivity of American manufacturers.
 - Testified before the International Trade Commission on behalf of West Virginia manufacturers. **Rockefeller has written and testified in person before the Commission on numerous occasions to advocate for many industries, including steel and tin, in West Virginia which have faced outsourcing problems because of illegal foreign subsidies.**
- **Spearheaded the COMPETES Reauthorization Act of 2010 (COMPETES).** COMPETES underscores the need to support not only advanced and innovative manufacturing processes, but also the preparation of future generations of highly-skilled American workers in science, technology, engineering, and mathematics fields.

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