



*Jeri Gillespie*

*Vice President*

*Human Resources Policy*

October 17, 2007

The Honorable George Miller  
Chairman  
Committee on Education & Labor  
Washington, DC 20515

The Honorable Howard "Buck" McKeon  
Ranking Member  
Committee on Education & Labor  
Washington, DC 20515

Dear Chairman Miller and Ranking Member McKeon:

On behalf of the National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, I ask that you oppose provisions in H.R. 3796, the "Early Warning and Health Care for Workers Affected by Globalization Act" aimed at expanding the Worker Adjustment and Retraining Notification Act (WARN) of 1988.

The effect of relocating or closing a business is painstaking and not taken lightly by any employer. Manufacturers understand these decisions impact communities and have supported efforts to prepare affected employees for such a transition. When Congress enacted the WARN Act, it was intended to proactively notify employees of a single worksite of the timing associated with a mass job loss. The Act established reasonable limits on the size of employer that must comply with this law and the scope of the job loss that triggers notification. Congress fully intended to mitigate the impact on a single community that a mass job loss could cause.

We have significant concerns regarding the comprehensive scope of H.R. 3796. Under H.R. 3796, the reasonable limits on the size and scope that triggers an employer's responsibility to notify employees are completely eliminated, including:

- Expanding the 60-day advance notice period to 90-days;
- Lowering the threshold from a loss of 50 jobs during any 30-day period to 25 jobs during any 30-day period;
- Allowing job losses at multiple sites, across multiple states, to be counted if they exceed 100 jobs and require part-time positions to be counted; and,
- Increasing penalties by 50 percent and for the first time instructing the Secretary of Labor to notify elected officials each and every time such a job loss occurs.

In lowering the reasonable thresholds that were established in 1988, this bill would undo the specific intent of that legislation — to provide advance notice in the unfortunate case of a mass job loss or plant closing. The lower thresholds would unintentionally include smaller,

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family owned businesses as well as the seasonal job adjustments made by larger, multi-state employers. It is highly likely under this proposal that small layoffs by a single company across multiple states would trigger the WARN notification. This is particularly true when employers would be required to count temporary or part-time staff.

The ultimate decision to close a particular facility or to dramatically reduce a workforce is a heart-wrenching decision for any employer. Clearly, when Congress acted 20 years ago they were seeking to help employers properly notify a community when such a drastic measure was to occur. In lowering the reasonable thresholds set by Congress, H.R. 3796 would unintentionally cause employers to notify all workers and federal agencies each time they make seasonal or temporary adjustments in staff levels across multiple sites.

The NAM supports early notice of closings and job loss to assist the dislocated worker in finding new employment. Each plant closing situation is unique, and as such, expanding the WARN Act, which already provides ample notification and remedies to workers, is not a valuable or necessary requirement. We request that Congress focus on incentives to encourage early notice of workforce reductions and resources for the retraining or rehiring of displaced workers rather than implementing additional sanctions on employers and lowered thresholds.

Thank you for your consideration on this important matter. Should you have any questions or wish to discuss further, please feel free to contact me or the NAM's Jason Straczewski at (202) 637-3129 or [jstraczewski@nam.org](mailto:jstraczewski@nam.org).

Sincerely,

A handwritten signature in cursive script that reads "Jeri Gillespie". The signature is written in black ink and is positioned above the printed name.

Jeri Gillespie

JG/js

cc: Members of the House Education & Labor Committee