



JUL 26 2010

Tina Potuto Kimble, Clerk of the Court  
U.S. Court of International Trade  
One Federal Plaza  
New York, New York 10278-0001

Re: Former Employees of General Electric Company,  
Transportation Division, Erie, Pennsylvania  
CIT Court No. 10-00076

Dear Ms. Kimble:

As required by the June 30, 2010 Order issued with regard to the above case, the Department hereby files the decision of the Certifying Officer upon remand. We are mailing copies to the U.S. Department of Justice and to the plaintiffs.

Thank you for attention to this matter.

Sincerely,

GARY M. BUFF  
Associate Solicitor for  
Employment and Training  
Legal Services

By: *Stephen R. Jones*  
STEPHEN R. JONES  
Attorney

Enclosure

cc: Antonia R. Soares, Esq.  
Ronald A. DiNicola, Esq.  
Frank H. Morgan, Esq.

DEPARTMENT OF LABOR  
Employment and Training Administration

TA-W-71,174

GENERAL ELECTRIC COMPANY  
TRANSPORTATION DIVISION  
INCLUDING ON-SITE LEASED WORKERS FROM ADECCO TECHNICAL  
ERIE, PENNSYLVANIA

Notice of Revised Determination  
on Remand

On April 15, 2010, the U.S. Court of International Trade (USCIT) granted the U.S. Department of Labor's (Department's) motion for voluntary remand for further investigation in Former Employees of General Electric Company, Transportation Division, Erie, Pennsylvania v. United States, Case No. 10-00076. Further, on June 3, 2010, the USCIT remanded United Electrical, Radio and Machine Workers of America, Local 506 v. United States, Case No. 10-00108, to the Department for further review. The two cases were consolidated on the same date under Case No. 10-00076.

On June 10, 2009, former workers of General Electric Company, Transportation Division (hereafter referred to as the subject firm) filed a petition for Trade Adjustment Assistance (TAA) on behalf of workers of General Electric Company, Transportation Division, Erie, Pennsylvania (hereafter referred to as the subject facility). On July 1, 2009, United Electrical, Radio and Machine Workers of America, Local 506 (UE 506), also filed a petition for TAA on behalf of workers at the subject facility. The UE 506 petition was consolidated with the petition filed on June 10, 2009, as it covered the same worker group.

The initial investigation revealed that, during the period under investigation, workers at the subject facility, including on-site leased workers from Adecco Technical (hereafter referred to as the subject worker group) were engaged in the production of locomotives, locomotive kits, and propulsion and specialty parts. The findings of that investigation revealed that there had been a significant number or proportion of workers at the subject facility that was totally or partially separated from employment.

It was determined, however, that imports of articles like or directly competitive with those produced by the subject firm did not contribute importantly to worker separations at the subject facility and that the subject firm did not shift production to a foreign country. A survey of the subject firm's major declining domestic customers revealed decreasing imports of articles like or directly competitive with those produced by the subject worker group, both in absolute terms and relative to the production at the subject facility.

Consequently, the Department determined that the subject worker group could not be considered import impacted, and a negative determination regarding the subject worker group's eligibility to apply for TAA was issued on October 8, 2009. The Department's Notice of Determination was published in the Federal Register on December 11, 2009 (74 FR 65800).

By application dated October 28, 2009, the petitioning workers requested administrative reconsideration of the

Department's negative determination. In the request, the petitioners alleged that production had shifted out of the subject facility to facilities located outside of the United States that were operated by the subject firm. The petitioners also alleged that the subject firm imports articles like or directly competitive with those produced at the subject facility.

To investigate the petitioners' claims, the Department issued a Notice of Affirmative Determination Regarding Application for Reconsideration, on November 16, 2009. The Department's Notice of Determination was published in the Federal Register on December 8, 2009 (74 FR 64712).

During the reconsideration investigation, the Department obtained new and additional information from the subject firm regarding the petitioners' claims. Based on the findings of the reconsideration investigation, the Department concluded that worker separations at the subject facility were not caused by either a shift in production abroad or increased imports of articles like or directly competitive with those produced by the subject worker group. As such, the Department issued a Notice of Negative Determination on Reconsideration on January 22, 2010. The Department's Notice of determination was published in the Federal Register, on February 1, 2010 (75 FR 5151).

In the complaint filed with the USCIT, dated March 1, 2010, the Plaintiffs allege that workers at the subject facility were

impacted by import competition and by a shift in production to overseas facilities by the subject firm.

In the complaint filed with the USCIT on March 29, 2010, the UE 506 alleged that workers at the subject facility were impacted by import competition, shifts abroad of multiple production lines by the subject firm, and foreign acquisitions by the subject firm of articles like or directly competitive with those produced by the subject worker group.

The intent of the Department is for a certification to cover all workers of a subject firm or appropriate subdivision who were adversely affected by increased imports of an article produced by the firm or a shift in production of the article, based on the investigation of the TAA petition. Therefore, the Department requested voluntary remand to address the allegations made by the two sets of plaintiffs, to determine whether the subject worker group is eligible to apply for TAA under the Trade Act of 1974, as amended (hereafter referred to as the Act), and to issue an appropriate remand determination.

To apply for worker adjustment assistance under Section 222(a) of the Act, 19 U.S.C. § 2272(a), the following criteria must be met:

- I. The first criterion (set forth in section 222(a)(1) of the Act, 19 U.S.C. § 2272(a)(1)) requires that a significant number or proportion of the workers in the workers' firm must have become totally or partially separated or be threatened with total or partial separation.
- II. The second criterion (set forth in section 222(a)(2) of the Act, 19 U.S.C. § 2272(a)(2)) may be satisfied if either:

- (i)(I) there has been a shift by the workers' firm to a foreign country in the production of articles or supply of services like or directly competitive with those produced/supplied by the workers' firm; OR
- (i)(II) there has been an acquisition from a foreign country by the workers' firm of articles/services that are like or directly competitive with those produced/supplied by the workers' firm.

III. The third criterion requires that the shift/acquisition must have contributed importantly to the workers' separation or threat of separation. See section 222(a)(2)(B)(ii) of the Act, 19 U.S.C. § 2272(a)(2)(B)(ii).

As amended by the Trade and Globalization Adjustment Assistance Act of 2009, section 222 of the Act (19 U.S.C. § 2272) covers foreign contracting scenarios, where a company closes a domestic operation and contracts with a company in a foreign country for the goods or services that had been produced in the United States.

During the remand investigation, the Department obtained information from the subject firm, solicited input from the two sets of Plaintiffs, and addressed all of the Plaintiffs' allegations.

Based on the information collected during the remand investigation, the Department determined that the subject worker group was impacted by a shift in production of articles like or directly competitive with the locomotives, locomotive kits, and propulsion and specialty parts produced at the subject facility.

The Department's findings on remand revealed that the subject firm engages in practices that entail the transfer of

work to foreign countries under "localization" agreements in which the subject firm penetrates into foreign markets under joint ventures with entities in the foreign country. Further, although the subject firm asserts that the articles manufactured at the facilities abroad are not identical in nature to the articles manufactured at the subject facility, upon close examination of data collected on remand, the Department has determined that the articles manufactured abroad are like or directly competitive with those produced by the subject worker group. The regulations implementing the Act, at 29 C.F.R. § 90.2, provide that "like or directly competitive articles" include those which are substantially identical in inherent or intrinsic characteristics, as well as those which are substantially equivalent for commercial purposes.

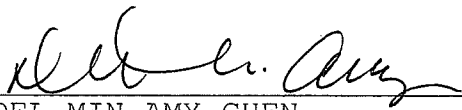
After a painstaking review on remand, the Department has determined that a significant number or proportion of the workers in the appropriate subdivision of the subject firm was separated. Further, the Department has determined that a shift in production abroad of articles like or directly competitive with the articles produced by the subject worker group contributed importantly to worker group separations. Therefore, the Department has determined that the group eligibility requirements under section 222(a)(2)(B) of the Trade Act of 1974, as amended, have been met.

Conclusion

After careful review of the facts during the remand investigation, I determine that the workers' firm has shifted to foreign countries the production of articles like or directly competitive with those produced by the subject firm or appropriate subdivision, and such shift of production contributed importantly to worker group separations at the subject facility. In accordance with section 223 of the Act, 19 U.S.C. § 2273, I make the following certification:

"All workers of General Electric Company, Transportation Division, including on-site leased workers from Adecco Technical, Erie, Pennsylvania, who became totally or partially separated from employment on or after June 10, 2008, through two years from the date of certification, and all workers in the group threatened with total or partial separation from employment on the date of certification through two years from the date of certification, are eligible to apply for adjustment assistance under Chapter 2 of Title II of the Trade Act of 1974, as amended."

Signed at Washington, D.C. this 23<sup>rd</sup> day of July, 2010

  
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DEL MIN AMY CHEN  
Certifying Officer, Division of  
Trade Adjustment Assistance  
4510-FN-P