

## **Background: The Department of Commerce and the Workforce Act**

### **Why should the Department of Labor and the Department of Commerce be merged?**

A recent report by the Government Accountability Office makes clear that significant savings can be achieved through the consolidation of duplicative or fractured programs in the federal bureaucracy. In his State of the Union address, President Obama called upon Congress to “merge, consolidate, and reorganize the federal government in a way that best serves the goal of a more competitive America.” Commerce and Labor were originally one agency, signed into law by Teddy Roosevelt in 1903. President Roosevelt believed that what was good for business was good for labor and that conflict between the two was not inevitable. The goal of this legislation is twofold: to achieve cost savings by combining duplicative functions, and to improve the quality of our country’s economic policies by ensuring a coordinated approach.

### **Summary**

The bill re-establishes a cabinet agency with the functions of the Department of Labor and the Department of Commerce to be known as the *Department of Commerce and the Workforce*.

- The bill retains existing authorities of the Department of Commerce, the Department of Labor, and the Small Business Administration. The intent is to eliminate duplication and to promote coordination.

By increasing the coordination of federal offices, the new merged Department will be better positioned to promote economic growth and workforce protections. The bill will also implement aspects of President Obama’s bipartisan National Commission on Fiscal Responsibility and Reform’s recommendation to place the Small Business Administration with the Department of Commerce. The bill will also transfer the National Oceanic and Atmospheric Administration (NOAA) from Commerce to the Department of the Interior.

The bill will realize significant savings from the merger or elimination of duplicative programs and administrative and support offices. It will combine and coordinate offices with a similar mission. It will assist in our economic recovery by making sure the management structure of government agencies consider the needs of both commerce and the workforce as they carry out their mission.

### **Estimated Savings**

By consolidating offices and reducing or eliminating programs identified by the Bowles-Simpson Commission, GAO, CBO or the President’s budget request, this bill would reduce unnecessary spending and save taxpayers billions of dollars.

- Consolidates 35 offices into 12 offices
- Eliminates or reduces funding for 7 programs or initiatives

## Department of Commerce and the Workforce Organizational Chart

