

**FISCAL YEAR 2015  
ANNUAL REPORT TO CONGRESS**

**TRADE ADJUSTMENT ASSISTANCE FOR FIRMS  
PROGRAM**

**ECONOMIC DEVELOPMENT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE**



*“...firms reported that from the time of petition certification to one year after completing the program (FY 2014), on average, sales increased by 42.6 percent, productivity increased by 28 percent and employment increased by 11.4 percent.”*

## **Executive Summary**

This annual report is submitted in accordance with Section 255A of chapter 3 of title II of the Trade Act of 1974, as amended (19 U.S.C. § 2341 et seq.) (commonly referred to as the Trade Act)<sup>1</sup>.

### *TAAF Program Authorization*

The Trade Adjustment Assistance for Firms (TAAF) program is authorized by Chapters 3 and 5 of Title II of the Trade Act of 1974, as amended (Pub. L. 93-618, 19 U.S.C. § 2341 et seq.), and as further amended by P.L. 97-35, 98-120, 98-369, 99-272, 99-514, 100-418, 103-66, 105-277, 107-210, 111-5, 111-344, 112-40, 113-203, and 114-27. The responsibility for administering the TAAF program is delegated to the Economic Development Administration (EDA) by the Secretary of Commerce. The TAAF program provides technical assistance to U.S. manufacturing, production, and service firms affected by import competition in order to help them develop and implement projects to regain global competitiveness, increase profitability and create jobs.

On June 29, 2015, the President signed into law the Trade Preferences Extension Act (P.L. 114-27). Title IV of that Act, entitled the “Trade Adjustment Assistance Reauthorization Act of 2015” and referred to herein as the “TAA Reauthorization Act,” effectively reinstated the expanded TAAF program that was authorized as part of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA)<sup>2</sup> and retroactively restored by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA)<sup>3</sup>. The TAA Reauthorization Act authorized TAAF until June 30, 2022.

On September 24, 2015, EDA held a TAAF funding competition through a Federal Funding Opportunity (FFO) published on Grants.gov that solicited applications from organizations to operate as Trade Adjustment Assistance Centers (TAACs). Through this competition, EDA aims to improve the efficiency and effectiveness of the TAAF program through enhanced program performance measurement, decreased program administrative costs, coordination with other complementary Federal programs, closer alignment of

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<sup>1</sup> For the purposes of this report, data are reported only for firms for which all data were available.

<sup>2</sup> The TGAAA was included as subtitle I within the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

<sup>3</sup> The Omnibus Trade Act of 2010 (P.L. 111-344), enacted on December 29, 2010, extended the TAAF program through February 12, 2012, but eliminated some of the expanded provisions of the TGAAA. On October 21, 2011, the TAAEA (Title II of P.L. 112-40) was signed into law and reauthorized the TAAF program through December 31, 2014. It retroactively extended the enhanced provisions of the TGAAA through December 31, 2013. On January 1, 2014, the TAAF program reverted back to the more limited program that existed as of February 13, 2011.

geographic service areas of TAACs with the service areas of EDA's six regional offices, and a more equitable distribution of services across all U.S. States and territories<sup>4</sup>.

One of the key components of the FFO was that selected organizations included a strategy that increases coordination with EDA Regional Offices and complementary Federal programs that provide, or could provide, comprehensive assistance to import-impacted firms and communities in order to avoid duplicative effort and maximize Federal dollars. Examples of such Federal programs include, but are not limited to, the National Institute of Standards and Technology's Hollings Manufacturing Extension Partnership (MEP) Centers, the U.S. Department of Labor (DOL) Trade Adjustment Assistance for Workers program, U.S. Export Assistance Centers, Regional DOL Employment and Training Administration (ETA) offices, Workforce Investment Boards, and relevant private industry groups.

Based on applications received, merit review scores, and the applicants' proposed geographic coverage areas (which align with those of EDA Regional Offices), EDA selected the current 11 incumbent TAACs and made geographic re-assignments to facilitate more equitable geographic coverage and allow for continuity of services to existing and future firms receiving TAAF technical assistance. Additionally, program administration costs (indirect costs of grantees) will be lowered by decreasing the agreed upon grantee indirect cost rates by 25% as compared to the maximum allowable rates used in previous years. The new award period began May 1, 2016.

### *Key Findings of this Report*

Firms assisted by EDA's TAAF program over the last several years have performed more successfully than the manufacturing industry as a whole, demonstrating a significant return on Federal investment. These findings follow similar positive findings in EDA's FY 2014<sup>5</sup> Annual Report, along with a positive report by the U.S. Government Accountability Office in FY 2012<sup>6</sup>. Overall, the program is effective in helping firms overcome negative trade impacts and become more globally competitive. Examples of TAAF program benefits to manufacturing firms can be found in the supplement at the end of this report.

In order to assess the effectiveness of the TAAF program, EDA evaluates the extent to which client firms increased their sales, productivity<sup>7</sup>, and employment levels following the implementation of TAAF-supported projects (program completion). To measure these outcomes, EDA compares average sales, average productivity, and average employment of all firms completing the program in a particular year (known as the "base year") to these same figures for the same firms at one and two years following program completion. The base year used for this report is FY 2013, as this allows EDA to compare these measures looking back both one and two years from the date of this FY 2015 report.

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<sup>4</sup> See <http://www.grants.gov/web/grants/view-opportunity.html?oppId=279141>

<sup>5</sup> See EDA's FY 2014 TAAF Annual Report, available at [www.eda.gov](http://www.eda.gov).

<sup>6</sup> See <http://www.gao.gov/products/GAO-12-930>

<sup>7</sup> Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee was chosen as the productivity measure. This measure is used because it can be generally applied to all certified firms.

One year after completing the program, firms participating in the TAAF program reported that average sales had increased by 20.8 percent, average productivity had increased by 18.1 percent, and average employment had increased by 2.3 percent from the prior year. By comparison, the U.S. Bureau of the Census Annual Survey of Manufacturers (Census) reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 1.2 percent and an average productivity decrease of .09 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment increase of 1.3 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.

Two years after completing the program, these same firms reported average sales had increased by 13.6 percent, average productivity had increased by 9.7 percent, and average employment had increased by 3.5 percent from 2013. Meanwhile, BLS reported that the manufacturing industry experienced an average employment increase of 2.5 percent from 2013<sup>8</sup>.

Additionally, these same firms reported that from the time of *petition certification* to one year after completing the program (a period of six years, on average<sup>9</sup>), sales increased by 42.6 percent, productivity increased by 28 percent, and employment increased by 11.4 percent. By comparison, Census reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 10 percent and an average productivity increase of 25 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment *decrease* of 12 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.

Furthermore, all TAAF-assisted firms that completed the program in FY 2013 were in operation at the end of FY 2015, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

#### *Summary of the TAAF Program*

The mission of the TAAF program is to help import-impacted U.S. manufacturing, production and service firms develop and implement projects to regain global competitiveness, expand markets, strengthen operations, increase profitability, and create jobs. Import-impacted U.S. manufacturing, production, and service firms can receive direct technical assistance to help expand markets, strengthen operations and increase competitiveness through the TAAF program. The program provides assistance to support the development of business recovery plans, commonly referred to as “Adjustment Proposals” or “APs,” under Section 252 of the Trade Act, and matching funds to implement projects outlined in the APs.

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<sup>8</sup> Only employment data – not sales or productivity data – are available for 2015 at the time of this report for the manufacturing industry.

<sup>9</sup> Firms average six years from the time of certification to complete the program. Therefore, manufacturing industry data are used for the period of 2007 to 2014, as firms completing the program in 2013 would have been certified, on average, in 2007.

The TAAF program supports a national network of 11 independent non-profit or university-affiliated Trade Adjustment Assistance Centers (TAACs) to help U.S. manufacturing and production firms in all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico. Firms work with the TAACs in a public-private collaborative framework to apply for certification of eligibility for TAAF assistance, and prepare and implement strategies to guide their economic recovery. EDA's partnership with the TAACs allows firms to receive customized assistance from highly qualified experts who are knowledgeable about the needs, challenges and opportunities facing the industries in their region.

Adjustment Proposals may cover a range of functional areas to improve a firm's market position and increase its overall competitiveness including engineering, information technology, management process improvement, marketing and sales growth, new product development, export expansion, enhanced support systems, staff capacity building, and manufacturing quality improvement.

The most common types of assistance provided to participating firms in FY 2015 were marketing/sales improvement and production/engineering projects, which comprised over half of all projects supported throughout the year. TAACs reported that 35 percent of all AP projects approved included projects explicitly for the purpose of assisting the firm with developing or increasing export opportunities.

As of September 30, 2015, 841 active firms with combined sales of \$12 billion and a workforce of 66,625 participated in the TAAF program. In FY 2015, TAACs provided technical assistance to 295 firms in preparing petitions, 128 firms in preparing APs, and 729 firms in implementing projects within their APs. Meanwhile, EDA certified 113 petitions and approved 120 APs.

EDA successfully met both the 40-day processing deadline (to make a final determination for petitions accepted for filing) and the 60-day processing deadline for approval of APs, as required by statute. In FY 2015, the average processing time for petitions was 16 business days, and the average processing time for APs was 12 business days.

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## Introduction

This report is provided in compliance with Section 255A of chapter 3 of title II of the Trade Act, as amended (19 U.S.C. § 2341 et seq.). Section 255A of the Trade Act directs the Secretary of Commerce to provide an annual report on the Trade Adjustment Assistance for Firms (TAAF) program. Section 255 of the Trade Act states:

IN GENERAL. — Not later than December 15, 2012, and annually thereafter, the Secretary shall prepare a report containing data regarding the trade adjustment assistance for firms program under this chapter for the preceding fiscal year. The data shall include the following:

This report will provide findings and results classified by intermediary organization<sup>10</sup>, state, and national totals<sup>11</sup>, to the extent that the data are available on the following 19 measures:

1. The number of firms that inquired about the program.
2. The number of petitions filed under Section 251.
3. The number of petitions certified and denied by the Secretary.
4. The average time for processing petitions after the petitions are filed.
5. The number of petitions filed and firms certified for each Congressional district of the United States.
6. Of the number of petitions filed, the number of firms that entered the program and received benefits.
7. The number of firms that received assistance in preparing their petitions.
8. The number of firms that received assistance developing business recovery plans.
9. The number of business recovery plans approved and denied by the Secretary.
10. The average duration of benefits received under the program nationally and in each region served by an intermediary organization referred to in Section 253(b)(1) of the Trade Act.
11. Sales, employment, and productivity at each firm participating in the TAAF program at the time of certification.
12. Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion.

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<sup>10</sup> “Intermediary Organization” referred to in Section 253(b)(1) are the Trade Adjustment Assistance Centers (TAACs).

<sup>11</sup> See Chapter 3 of Title II of the Trade Act, Section 255A (b) *Classification of Data*.

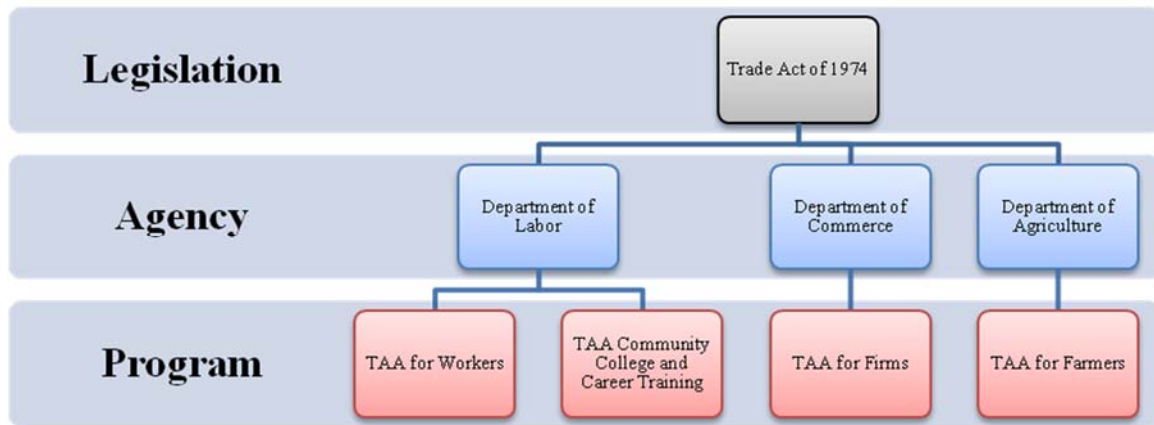
13. The number of firms in operation as the date of the report and the number of firms that ceased operations after completing the program and in each year during the two-year period following completion of the program.
14. The financial assistance received by each firm participating in the program.
15. The financial contribution made by each firm participating in the program.
16. The types of technical assistance included in the business recovery plans of firms participating in the program.
17. The number of firms leaving the program before completing the project or projects in their business recovery plans and the reason the project was not completed.
18. The total amount expended by all intermediary organizations referred to in Section 253(b)(1) and by each organization to administer the program.
19. The total amount expended by intermediary organizations to provide technical assistance to firms under the program nationally and in each region served by such an organization.



## Program Description

The TAAF program is authorized by Chapters 3 and 5 of Title II of the Trade Act, and is one of four distinct programs authorized under the Trade Act. The other TAA programs are TAA for Workers and TAA for Community College and Career Training, which are both administered by DOL, and TAA for Firms, which is administered by EDA, and TAA for Farmers, which is administered by USDA.

*Exhibit 1: TAA Programs*



The responsibility for administering the TAAF program is delegated to EDA by the Secretary of Commerce.

The mission of the TAAF program is to help import-impacted U.S. manufacturing, production and service firms develop and implement projects to regain global competitiveness, expand markets, strengthen operations, increase profitability, and create jobs.

Import-impacted U.S. manufacturing, production, and service firms can receive direct technical assistance through matching funds provided to Trade Adjustment Assistance Centers (TAACs), which the TAACs then use to match the costs for third-party consultants to help firms expand markets, strengthen operations and increase competitiveness. Funds are not provided directly to firms.

The program provides assistance to support the development of business recovery plans, commonly referred to as “Adjustment Proposals” or “APs,” under Section 252 of the Trade Act, and matching funds to implement projects outlined in the APs. These projects may cover a range of functional areas to improve a firm’s market position and increase its overall competitiveness, including engineering, information technology, management, market development, marketing, new product development, quality improvement and sales.

The national network of 11 independent non-profit or university-affiliated TAACs serve U.S. manufacturing, production firms, and service firms in all 50 States, the District of Columbia

and the Commonwealth of Puerto Rico<sup>12</sup>. Firms work with the TAACs in a public-private collaborative framework to apply for certification of eligibility for TAAF assistance, and prepare and implement strategies to guide their economic recovery.

*Exhibit 2: TAACs and their Respective Service Areas<sup>13</sup>*

| <b>TAAC</b>  | <b>Service Areas</b>  |
|--|---|
| Great Lakes  | Indiana, Michigan and Ohio  |
| Mid-America  | Iowa, Kansas, Missouri and Nebraska   |
| MidAtlantic  | Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia              |
| Midwest  | Illinois, Iowa, Minnesota and Wisconsin   |
| New England  | Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont                      |
| New York, New Jersey and the Commonwealth of Puerto Rico | New York, New Jersey and the Commonwealth of Puerto Rico  |
| Northwest  | Alaska, Idaho, Oregon and Washington  |
| Rocky Mountain   | Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming                                 |
| Southeastern   | Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee |
| Southwest  | Arkansas, Louisiana, Oklahoma, New Mexico and Texas   |
| Western  | Arizona, California, Hawaii and Nevada  |

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<sup>12</sup> On September 25, 2015, through Grants.Gov, EDA published a Federal Funding Opportunity Notice announcing the availability of funding for the TAAF program. The competition closed on November 24, 2015. Through this competition, EDA aims to improve the efficiency and effectiveness of the TAAF program through enhanced program performance measurement, decreased program administrative costs, closer alignment of geographic service areas of TAACs with the service areas of EDA’s six regional offices, and a more equitable distribution of services across all U.S. states and territories. The applicants selected to serve as a TAAC will work closely with both EDA and import-impacted firms. EDA started new awards on May 1, 2016.

<sup>13</sup> Ibid. Footnote 12.

### Exhibit 3: Program Phases



There are three main phases to receiving technical assistance under the TAAF program: (1) petitioning for certification, (2) recovery planning and (3) AP implementation.

#### Phase I - Petitioning for Certification<sup>14</sup>

The first step to receiving assistance is the submission of a petition to EDA to be certified as a trade-impacted firm. A petition is comprised of Form ED-840P, titled *Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance*, and required supporting documentation. Generally, certification specialists in the TAACs work with the firm at no cost to the firm to complete and submit a petition to EDA.

Upon receipt of the petition, EDA performs an analysis of the petition and supporting documents to determine if the petition is complete and may be accepted. EDA is required to make a final determination on the petition within 40 days<sup>15</sup> of accepting a petition.

To certify a firm as eligible to apply for adjustment assistance, the Secretary must determine that the following three conditions are met:

1. A significant number or proportion of the workers in the firm have been or are threatened to be totally or partially separated;
2. Sales and/or production of the firm have decreased absolutely, or sales and/or production of an article or service that accounted for at least 25 percent of total production or sales of

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<sup>14</sup> Upon the enactment of the TAA Reauthorization Act, service sector firms again became eligible for assistance. Pursuant to the statute, on June 29, 2015, the TAAF program reverted back to the expanded program made effective by TAAEA. This means that as of June 29, 2015, among other things (included but not limited to):

1. Service sector firms are eligible for assistance,
2. Applicant firms may use a 12-month, 24- or 36-month “look back” period to demonstrate their eligibility, and
3. EDA must make a determination on a petition under the program within 40 days.

<sup>15</sup> EDA defines “days” as business days.

the firm during the 12, 24, or 36 months preceding the most recent 12-, 24-, or 36-month period for which data are available have decreased absolutely; and

3. Increased imports of articles like or directly competitive with articles produced or services provided by the firm have “contributed importantly” to both the layoffs and the decline in sales and/or production.

### **Phase II - Recovery Planning**

Certified firms then work with TAAC staff to develop a customized AP for submission to EDA for approval. Once an AP has been submitted, EDA is required to make a final determination within 60 days<sup>16</sup>.

### **Phase III - AP Implementation**

The firm works with consultants to implement projects in an approved AP. For an AP in which proposed tasks total \$30,000 or less, EDA provides up to 75 percent of the cost and the firm is responsible for the balance. For an AP in which proposed tasks total over \$30,000, EDA pays 50 percent of the total cost and the firm pays the remaining 50 percent. In order to most efficiently and effectively utilize limited program funds, EDA limits its share of technical assistance to a certified firm to no more than \$75,000. After a competitive procurement process, the TAAC and the firm generally contract with private consultants to implement the AP.

As projects are implemented and if the firm is satisfied with the work, the firm will first pay their match to the consultant, and then send a notice to the TAAC stating that they are satisfied with the work and that they have paid their matching share. The TAAC will then pay the Federal matching share. Firms have up to five years from the date of an AP’s approval to implement the approved business recovery strategy contained therein, unless they receive EDA approval for an extension. Generally, firms complete the implementation of their respective APs over a two-year period.

In general, the TAACs provide an array of services to assist import-impacted firms throughout this process, including:

- Assisting firms in preparing petitions for TAAF. Firms are not charged for any assistance related to the preparation of a petition.
- Once a petition has been approved, TAACs work closely with a firm’s management to identify the firm’s strengths and weaknesses and develop a customized business strategy (AP) designed to foster competitiveness. The program pays up to 75 percent of the cost of developing an AP and the firm must pay the balance. EDA must approve all APs to ensure they conform to statutory and regulatory requirements.
- After an AP has been approved, company management and TAAC staff jointly identify consultants with the specific expertise required to assist the firm in implementing their competitiveness strategy.

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<sup>16</sup> Ibid. Footnote 15.

## Results/Findings

### Data for This Report

For the purposes of this report, data are reported only for firms for which all data were available. The data used in this report were collected from the TAACs as part of their reporting requirements, petitions for certification, and the APs submitted by the TAACs on behalf of firms. Eligibility Reviewers at EDA recorded data from these sources into a central database. The data presented in this report has been verified by the TAACs. Results for average processing times were derived by EDA. Data in this report reflect data as of the end of FY 2015. Therefore, data in this Annual Report may differ from previously published data that were based on different periods.

**(1) The number of firms that inquired about the program.**

In FY 2015, the TAACs received 1,418 inquiries about the program.

*Exhibit 4: Inquiries about the TAAF program by TAAC*

| <b>TAAC</b>    | <b>No. of Firms that Inquired about the TAAF program</b> |
|----------------|--|
| Great Lakes    | 74   |
| Mid-America    | 200  |
| Mid-Atlantic   | 67   |
| Midwest        | 67   |
| New England    | 44   |
| New York State | 57   |
| Northwest      | 59   |
| Rocky Mountain | 90   |
| Southeastern   | 80   |
| Southwest      | 219  |
| Western        | 461  |
| <b>Total</b>   | <b>1,418</b>   |

**(2) The number of petitions filed under Section 251.**

**(3) The number of petitions certified and denied by the Secretary.**

**(4) The average time for processing petitions after the petitions are filed.**

EDA received 117 petitions, a 6 percent increase, compared to the number of petitions received in FY 2014. EDA filed (accepted for investigation) 117 petitions under Section 251 of the Trade Act, a 15 percent increase, compared to the number of petitions accepted in FY 2014. EDA certified 113 petitions, an 8 percent increase, compared to the number of

certifications in FY 2014. Petitions are certified on a rolling basis throughout the year. Petitions certified in FY 2015 may be the result of those received or filed (accepted) in FY 2014, while petitions received or filed (accepted) in FY 2015 may not result in certification in FY 2015.

EDA’s average processing time for petitions (from acceptance to certification) was 16 business days, a 6 percent decrease compared to the average processing time for petitions in FY 2014. EDA is required to process petitions for certification within 40 days of acceptance.

All petitions certified under the TAAF program were submitted by firms in the manufacturing sector. Service sector firms, were not eligible for TAAF assistance between January 1, 2014 through June 28, 2015<sup>17</sup>.

*Exhibit 5: Petition Activity: FY 2009 – FY 2015<sup>18</sup>*

| <b>FY</b>                      | <b>No. of Petitions Received</b> | <b>No. of Petitions Accepted for Filing</b> | <b>No. of Petitions Certified</b> | <b>No. of Petitions Denied or Withdrawn</b> | <b>Average Days Between Receipt and Acceptance (Filing)</b> | <b>Average Days Between Acceptance (Filing) and Certification</b> | <b>Average Days Between Receipt and Certification</b> |
|--------------------------------|----------------------------------|---|-----------------------------------|---|---|---|---|
| 2009                           | 276                              | 243   | 216                               | 1   | 28  | 45  | 70  |
| 2010                           | 311                              | 329   | 330                               | 0   | 61  | 31  | 74  |
| 2011                           | 128                              | 129   | 149                               | 22  | 16  | 21  | 36  |
| 2012                           | 85                               | 83  | 79                                | 3   | 29  | 29  | 58  |
| 2013                           | 104                              | 105   | 105                               | 1   | 13  | 25  | 37  |
| 2014                           | 110                              | 102   | 105                               | 1   | 10  | 17  | 26  |
| 2015                           | 117                              | 117   | 113                               | 1   | 11  | 16  | 26  |
| <b>+ Change (2014 to 2015)</b> | <b>6%</b>                        | <b>15%</b>                                  | <b>8%</b>                         | <b>0%</b>                                   | <b>10%</b>  | <b>(6%)</b>   | <b>0%</b>   |

<sup>17</sup> Ibid. Footnote 14.

<sup>18</sup> Petitions are certified on a rolling basis throughout the year; therefore, activity in these categories may not result in certification within the same FY. These totals represent the activity under each category within FY 2015.

Exhibit 6: Petitions Received by TAAC: FY 2009 – FY 2015

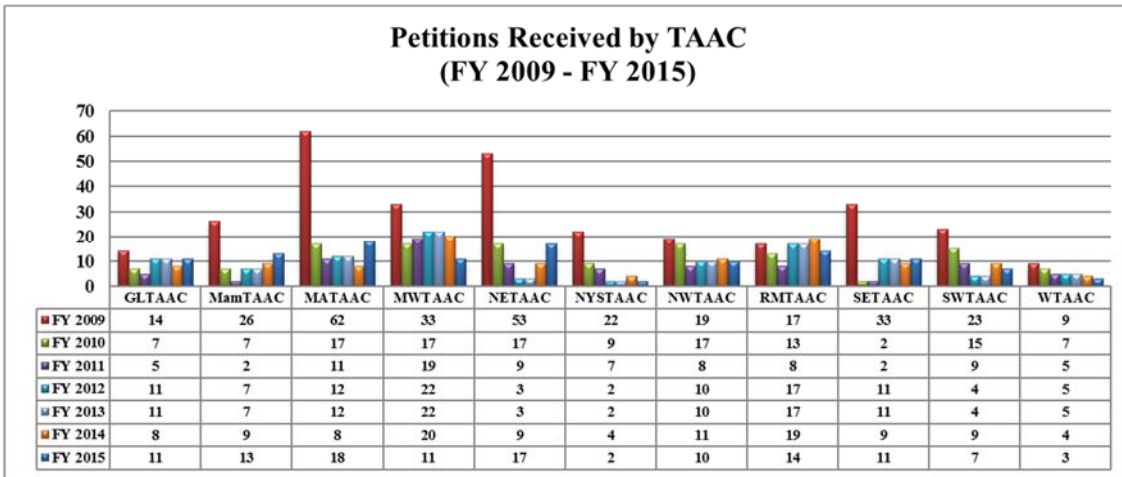


Exhibit 7: Petitions Accepted by TAAC: FY 2009 – FY 2015

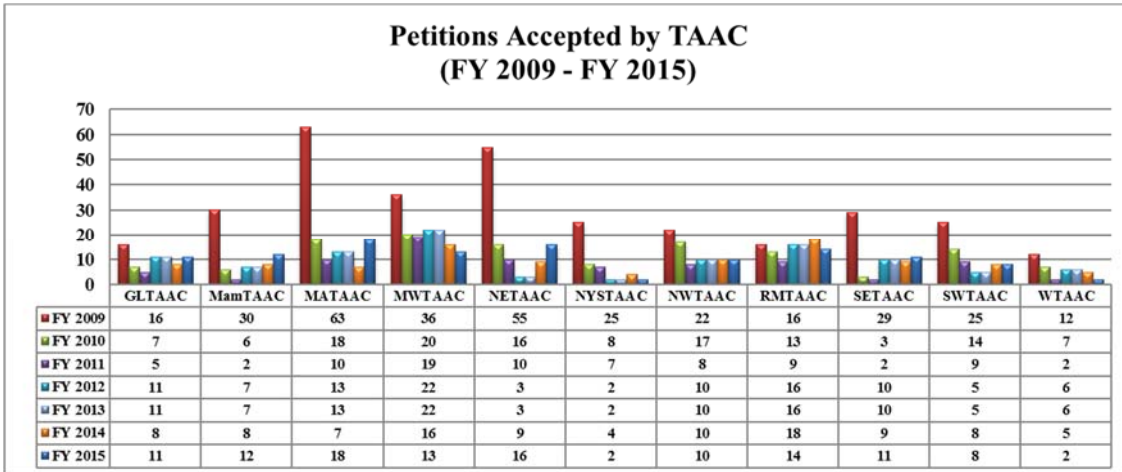


Exhibit 8: Petitions Certified by TAAC: FY 2009 – FY 2015

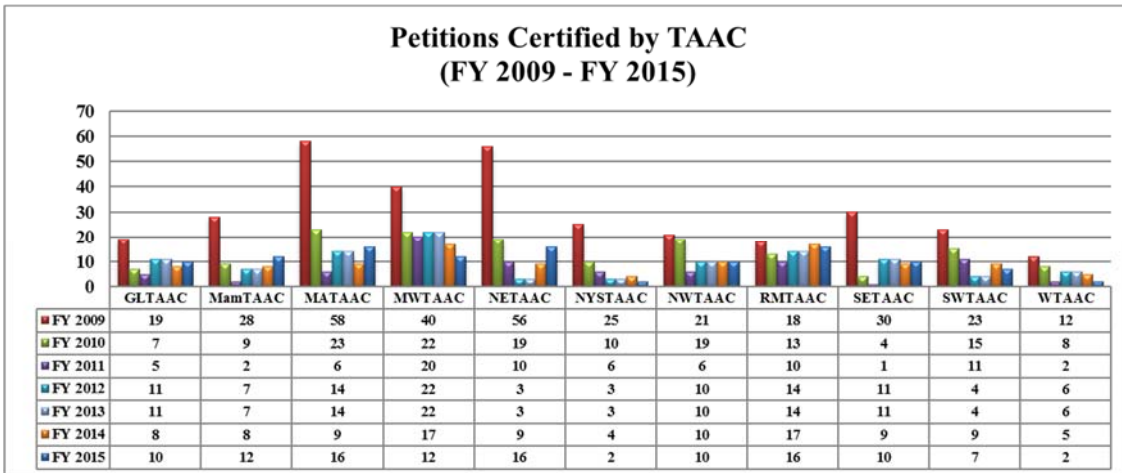


Exhibit 9: Petitions Received, Accepted, and Certified by TAAC: FY 2015

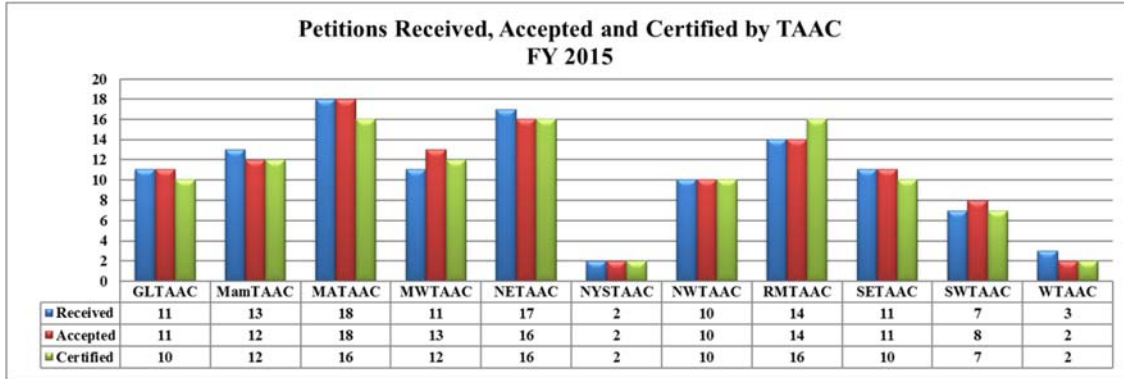


Exhibit 10: Petitions Received, Accepted, and Certified by TAAC/State: FY 2015

| TAAC/State         | Petitions Received | Petitions Accepted | Petitions Certified |
|--------------------|--------------------|--------------------|---------------------|
| <b>Great Lakes</b> | <b>11</b>          | <b>11</b>          | <b>10</b>           |
| IN                 | 2                  | 2                  | 2                   |
| MI                 | 6                  | 6                  | 5                   |
| OH                 | 3                  | 3                  | 3                   |
| <b>Mid-America</b> | <b>13</b>          | <b>12</b>          | <b>12</b>           |
| AR                 | 2                  | 1                  | 1                   |
| KS                 | 1                  | 1                  | 2                   |
| MO                 | 10                 | 10                 | 9                   |
| <b>MidAtlantic</b> | <b>18</b>          | <b>18</b>          | <b>16</b>           |
| DC                 | 0                  | 0                  | 0                   |
| DE                 | 0                  | 0                  | 0                   |
| MD                 | 1                  | 1                  | 1                   |
| NJ                 | 0                  | 0                  | 0                   |
| PA                 | 16                 | 16                 | 14                  |
| VA                 | 1                  | 1                  | 1                   |
| WV                 | 0                  | 0                  | 0                   |
| <b>Midwest</b>     | <b>11</b>          | <b>13</b>          | <b>12</b>           |
| IA                 | 0                  | 0                  | 0                   |
| IL                 | 10                 | 10                 | 10                  |
| MN                 | 1                  | 2                  | 1                   |
| WI                 | 0                  | 1                  | 1                   |
| <b>New England</b> | <b>17</b>          | <b>16</b>          | <b>16</b>           |
| CT                 | 8                  | 9                  | 9                   |
| MA                 | 5                  | 3                  | 3                   |
| ME                 | 0                  | 0                  | 0                   |



| <b>TAAC/State</b>     | <b>Petitions Received</b> | <b>Petitions Accepted</b> | <b>Petitions Certified</b> |
|-----------------------|---------------------------|---------------------------|----------------------------|
| NH                    | 1                         | 1                         | 1                          |
| RI                    | 2                         | 2                         | 2                          |
| VT                    | 1                         | 1                         | 1                          |
| <b>New York State</b> | <b>2</b>                  | <b>2</b>                  | <b>2</b>                   |
| NY                    | 2                         | 2                         | 2                          |
| <b>Northwest</b>      | <b>10</b>                 | <b>10</b>                 | <b>10</b>                  |
| AK                    | 1                         | 0                         | 1                          |
| ID                    | 0                         | 0                         | 0                          |
| MT                    | 1                         | 1                         | 1                          |
| OR                    | 4                         | 4                         | 4                          |
| WA                    | 4                         | 5                         | 4                          |
| <b>Rocky Mountain</b> | <b>14</b>                 | <b>14</b>                 | <b>16</b>                  |
| CO                    | 7                         | 6                         | 9                          |
| ND                    | 0                         | 1                         | 1                          |
| NE                    | 3                         | 3                         | 2                          |
| NM                    | 2                         | 2                         | 2                          |
| SD                    | 0                         | 0                         | 0                          |
| UT                    | 1                         | 1                         | 1                          |
| WY                    | 1                         | 1                         | 1                          |
| <b>Southeastern</b>   | <b>11</b>                 | <b>11</b>                 | <b>10</b>                  |
| AL                    | 1                         | 1                         | 1                          |
| FL                    | 1                         | 1                         | 1                          |
| GA                    | 5                         | 5                         | 4                          |
| KY                    | 0                         | 0                         | 0                          |
| MS                    | 0                         | 0                         | 0                          |
| NC                    | 2                         | 2                         | 2                          |
| SC                    | 2                         | 2                         | 2                          |
| TN                    | 0                         | 0                         | 0                          |
| PR                    | 0                         | 0                         | 0                          |
| <b>Southwest</b>      | <b>7</b>                  | <b>8</b>                  | <b>7</b>                   |
| LA                    | 1                         | 2                         | 2                          |
| OK                    | 1                         | 1                         | 1                          |
| TX                    | 5                         | 5                         | 4                          |
| <b>Western</b>        | <b>2</b>                  | <b>2</b>                  | <b>2</b>                   |
| AZ                    | 0                         | 0                         | 0                          |
| CA                    | 3                         | 2                         | 2                          |
| NV                    | 0                         | 0                         | 0                          |
| <b>Total</b>          | <b>117</b>                | <b>117</b>                | <b>113</b>                 |

(5) The number of petitions filed and firms certified for each Congressional District in the United States.

Exhibit 11: Petitions Filed (Accepted) and Certified by Congressional District: FY 2015

| TAAC/State<br>Congressional<br>District | Petitions<br>Accepted | Petitions<br>Certified |
|---|-----------------------|------------------------|
|   |                       |                        |
| <b>Great Lakes</b>                      | <b>11</b>             | <b>10</b>              |
| <b>IN</b>                               | <b>2</b>              | <b>2</b>               |
| 2                                       | 2                     | 2                      |
| <b>MI</b>                               | <b>6</b>              | <b>5</b>               |
| 1                                       | 1                     | 1                      |
| 2                                       | 1                     | 1                      |
| 4                                       | 1                     | 1                      |
| 7                                       | 1                     | 1                      |
| 10                                      | 1                     | 0                      |
| 11                                      | 1                     | 1                      |
| <b>OH</b>                               | <b>3</b>              | <b>3</b>               |
| 1                                       | 1                     | 1                      |
| 5                                       | 1                     | 1                      |
| 10                                      | 1                     | 1                      |
| <b>Mid-America</b>                      | <b>12</b>             | <b>12</b>              |
| <b>AR</b>                               | <b>1</b>              | <b>1</b>               |
| 3                                       | 1                     | 1                      |
| <b>KS</b>                               | <b>1</b>              | <b>2</b>               |
| 1                                       | 0                     | 1                      |
| 4                                       | 1                     | 1                      |
| <b>MO</b>                               | <b>10</b>             | <b>9</b>               |
| 1                                       | 2                     | 2                      |
| 2                                       | 1                     | 0                      |
| 4                                       | 1                     | 1                      |
| 5                                       | 1                     | 1                      |
| 7                                       | 2                     | 2                      |
| 8                                       | 3                     | 3                      |
| <b>MidAtlantic</b>                      | <b>18</b>             | <b>16</b>              |
| <b>DC</b>                               | <b>0</b>              | <b>0</b>               |
| <b>DE</b>                               | <b>0</b>              | <b>0</b>               |
| <b>MD</b>                               | <b>1</b>              | <b>1</b>               |
| 2                                       | 1                     | 1                      |

| <b>TAAC/State<br/>Congressional<br/>District</b> | <b>Petitions<br/>Accepted</b> | <b>Petitions<br/>Certified</b> |
|--|-------------------------------|--------------------------------|
| <b>NJ</b>  | 0                             | 0                              |
| <b>PA</b>  | <b>16</b>                     | <b>14</b>                      |
| 3  | 6                             | 6                              |
| 5  | 4                             | 3                              |
| 8  | 1                             | 0                              |
| 9  | 1                             | 1                              |
| 15   | 3                             | 3                              |
| 18   | 1                             | 1                              |
| <b>VA</b>  | <b>1</b>                      | <b>1</b>                       |
| 5  | 1                             | 1                              |
| <b>WV</b>  | 0                             | 0                              |
| <b>Midwest</b>                                   | <b>13</b>                     | <b>12</b>                      |
| <b>IA</b>  | 0                             | 0                              |
| <b>IL</b>  | <b>10</b>                     | <b>10</b>                      |
| 3  | 1                             | 1                              |
| 4  | 1                             | 1                              |
| 6  | 2                             | 2                              |
| 8  | 2                             | 2                              |
| 12   | 1                             | 1                              |
| 13   | 1                             | 1                              |
| 14   | 1                             | 1                              |
| 17   | 1                             | 1                              |
| <b>MN</b>  | <b>2</b>                      | <b>1</b>                       |
| 1  | 1                             | 0                              |
| 8  | 1                             | 1                              |
| <b>WI</b>  | <b>1</b>                      | <b>1</b>                       |
| 4  | 1                             | 1                              |
| <b>New England</b>                               | <b>16</b>                     | <b>16</b>                      |
| <b>CT</b>  | <b>9</b>                      | <b>9</b>                       |
| 1  | 4                             | 4                              |
| 2  | 1                             | 1                              |
| 3  | 3                             | 3                              |
| 5  | 1                             | 1                              |
| <b>MA</b>  | <b>3</b>                      | <b>3</b>                       |
| 2  | 1                             | 1                              |
| 3  | 1                             | 1                              |
| 9  | 1                             | 1                              |

| <b>TAAC/State<br/>Congressional<br/>District</b> | <b>Petitions<br/>Accepted</b> | <b>Petitions<br/>Certified</b> |
|--|-------------------------------|--------------------------------|
| <b>ME</b>  | 0                             | 0                              |
| <b>NH</b>  | 1                             | 1                              |
| 1  | 1                             | 1                              |
| <b>RI</b>  | 2                             | 2                              |
| 1  | 2                             | 2                              |
| <b>VT</b>  | 1                             | 1                              |
| 1  | 1                             | 1                              |
| <b>New York State</b>                            | 2                             | 2                              |
| <b>NY</b>  | 2                             | 2                              |
| 23   | 1                             | 1                              |
| 25   | 1                             | 1                              |
| <b>Northwest</b>                                 | <b>10</b>                     | <b>10</b>                      |
| <b>AK</b>  | <b>0</b>                      | <b>1</b>                       |
| At-Large   | 0                             | 1                              |
| <b>ID</b>  | 0                             | 0                              |
| <b>MT</b>  | 1                             | 1                              |
| At-Large   | 1                             | 1                              |
| <b>OR</b>  | <b>4</b>                      | <b>4</b>                       |
| 2  | 2                             | 2                              |
| 4  | 1                             | 1                              |
| 5  | 1                             | 1                              |
| <b>WA</b>  | <b>5</b>                      | <b>4</b>                       |
| 1  | 1                             | 1                              |
| 3  | 1                             | 0                              |
| 8  | 1                             | 1                              |
| 9  | 2                             | 2                              |
| <b>Rocky Mountain</b>                            | <b>14</b>                     | <b>16</b>                      |
| <b>CO</b>  | <b>6</b>                      | <b>9</b>                       |
| 1  | 1                             | 2                              |
| 2  | 1                             | 1                              |
| 4  | 1                             | 1                              |
| 5  | 1                             | 2                              |
| 6  | 0                             | 1                              |
| 7  | 2                             | 2                              |
| <b>ND</b>  | <b>1</b>                      | <b>1</b>                       |
| At-Large   | 1                             | 1                              |
| <b>NE</b>  | <b>3</b>                      | <b>2</b>                       |

| <b>TAAC/State<br/>Congressional<br/>District</b> | <b>Petitions<br/>Accepted</b> | <b>Petitions<br/>Certified</b> |
|--|-------------------------------|--------------------------------|
| 1  | 1                             | 1                              |
| 3  | 2                             | 1                              |
| <b>NM</b>  | <b>2</b>                      | <b>2</b>                       |
| 1  | 2                             | 2                              |
| <b>SD</b>  | 0                             | 0                              |
| <b>UT</b>  | <b>1</b>                      | <b>1</b>                       |
| 1  | 1                             | 1                              |
| <b>WY</b>  | <b>1</b>                      | <b>1</b>                       |
| At-Large   | 1                             | 1                              |
| <b>Southeastern</b>                              | <b>11</b>                     | <b>10</b>                      |
| <b>AL</b>  | <b>1</b>                      | <b>1</b>                       |
| 4  | 1                             | 1                              |
| <b>FL</b>  | <b>1</b>                      | <b>1</b>                       |
| 18   | 1                             | 1                              |
| <b>GA</b>  | <b>5</b>                      | <b>4</b>                       |
| 4  | 1                             | 0                              |
| 5  | 1                             | 1                              |
| 9  | 1                             | 1                              |
| 11   | 2                             | 2                              |
| <b>KY</b>  | 0                             | 0                              |
| <b>MS</b>  | 0                             | 0                              |
| <b>NC</b>  | <b>2</b>                      | <b>2</b>                       |
| 10   | 1                             | 1                              |
| 12   | 1                             | 1                              |
| <b>PR</b>  | 0                             | 0                              |
| <b>SC</b>  | <b>2</b>                      | <b>2</b>                       |
| 3  | 1                             | 1                              |
| 4  | 1                             | 1                              |
| <b>TN</b>  | 0                             | 0                              |
| <b>Southwest</b>                                 | <b>8</b>                      | <b>7</b>                       |
| <b>LA</b>  | <b>2</b>                      | <b>2</b>                       |
| 1  | 1                             | 1                              |
| 3  | 1                             | 1                              |
| <b>OK</b>  | <b>1</b>                      | <b>1</b>                       |
| 5  | 1                             | 1                              |
| <b>TX</b>  | <b>5</b>                      | <b>4</b>                       |
| 15   | 1                             | 1                              |

| TAAC/State<br>Congressional<br>District | Petitions<br>Accepted | Petitions<br>Certified |
|---|-----------------------|------------------------|
| 31                                      | 3                     | 2                      |
| 32                                      | 1                     | 1                      |
| <b>Western</b>                          | <b>2</b>              | <b>2</b>               |
| <b>AZ</b>                               | 0                     | 0                      |
| <b>CA</b>                               | <b>2</b>              | <b>2</b>               |
| 30                                      | 1                     | 1                      |
| 45                                      | 1                     | 1                      |
| <b>NV</b>                               | 0                     | 0                      |
| <b>Total</b>                            | <b>117</b>            | <b>113</b>             |

(6) **Of the number of petitions filed, the number of firms that entered the program and received benefits<sup>19</sup>.**

In FY 2015, 117 petitions were accepted (filed) for certification, and 113 were certified. Of the 113 firms certified in FY 2015, 79 firms submitted and were approved for an AP *in the same fiscal year*<sup>20</sup>. An additional 41 firms that were certified for TAAF in previous fiscal years were also approved for an AP in FY 2015.

*Exhibit 12: Petitions Certified and APs Approved: FY 2015*

| TAAC           | No. of Petitions<br>Accepted | No. of Petitions<br>Certified | No. of APs<br>Approved for<br>Firms Certified<br>in same Fiscal<br>Year (2015) |
|----------------|------------------------------|-------------------------------|--|
| Great Lakes    | 11                           | 10                            | 5  |
| Mid-America    | 12                           | 12                            | 9  |
| MidAtlantic    | 18                           | 16                            | 6  |
| Midwest        | 13                           | 12                            | 11   |
| New England    | 16                           | 16                            | 14   |
| New York State | 2                            | 2                             | 0  |
| Northwest      | 10                           | 10                            | 9  |
| Rocky Mountain | 14                           | 16                            | 15   |
| Southeastern   | 11                           | 10                            | 6  |
| Southwest      | 8                            | 7                             | 3  |
| Western        | 2                            | 2                             | 1  |
| <b>Total</b>   | <b>117</b>                   | <b>113</b>                    | <b>79</b>  |

<sup>19</sup> *Benefits* are defined as technical assistance provided to TAAF-certified firms in preparing and implementing business recovery plans (APs).

<sup>20</sup> Firms have up to two years from the date of TAAF certification to submit a business recovery plan (AP). *These totals represent the firms certified for TAAF in FY 2015 that also submitted and received an approved business recovery plan in the same fiscal year.* The total number of APs approved in FY 2015 is reported in Exhibits 17, 18 and 19.

*Exhibit 13: TAAF Assistance to Firms: FY 2015*

In FY 2015, 1,062 unique firms received TAAF technical assistance in preparing petitions, developing APs, and/or implementing projects in these plans. Although firms may receive assistance in all phases of the TAAF program more than once in a single fiscal year, firms were counted once in this table.

| <b>TAAC</b>    | <b>TAAF Assistance</b> |
|----------------|------------------------|
| Great Lakes    | 97                     |
| Mid-America    | 49                     |
| MidAtlantic    | 151                    |
| Midwest        | 222                    |
| New England    | 81                     |
| New York State | 74                     |
| Northwest      | 73                     |
| Rocky Mountain | 111                    |
| Southeastern   | 115                    |
| Southwest      | 56                     |
| Western        | 33                     |
| <b>Total</b>   | <b>1,062</b>           |

**(7) The number of firms that received assistance in preparing their petitions.**

In FY 2015, 295 firms received assistance in preparing petitions. Firms may receive assistance in all phases of preparing petitions more than once in a single year. Petition assistance rendered may not result in the submission of a petition in the fiscal year.

*Exhibit 14: Petition Assistance Activity: FY 2015*

| <b>TAAC</b>    | <b>Petition Assistance</b> |
|----------------|----------------------------|
| Great Lakes    | 30                         |
| Mid-America    | 14                         |
| MidAtlantic    | 28                         |
| Midwest        | 87                         |
| New England    | 19                         |
| New York State | 35                         |
| Northwest      | 14                         |
| Rocky Mountain | 29                         |
| Southeastern   | 27                         |
| Southwest      | 5                          |
| Western        | 7                          |
| <b>Total</b>   | <b>295</b>                 |

**(8) The number of firms that received assistance developing business recovery plans.**

In FY 2015, 128 firms received assistance in developing APs and 729 firms received assistance in implementing projects in these plans. Firms may receive assistance in developing and implementing APs more than once in a single year. AP assistance rendered may not result in the submission or implementation of an AP in the current fiscal year.

*Exhibit 15: AP Development Activity: FY 2015*

| <b>TAAC</b>    | <b>AP Development Assistance</b> |
|----------------|----------------------------------|
| Great Lakes    | 17                               |
| Mid-America    | 11                               |
| MidAtlantic    | 13                               |
| Midwest        | 15                               |
| New England    | 16                               |
| New York State | 4                                |
| Northwest      | 14                               |
| Rocky Mountain | 20                               |
| Southeastern   | 12                               |
| Southwest      | 2                                |
| Western        | 4                                |
| <b>Total</b>   | <b>128</b>                       |

*Exhibit 16: AP Implementation Activity: FY 2015*

| <b>TAAC</b>    | <b>AP Implementation Assistance</b> |
|----------------|-------------------------------------|
| Great Lakes    | 71                                  |
| Mid-America    | 40                                  |
| MidAtlantic    | 62                                  |
| Midwest        | 142                                 |
| New England    | 81                                  |
| New York State | 37                                  |
| Northwest      | 65                                  |
| Rocky Mountain | 97                                  |
| Southeastern   | 60                                  |
| Southwest      | 44                                  |
| Western        | 30                                  |
| <b>Total</b>   | <b>729</b>                          |



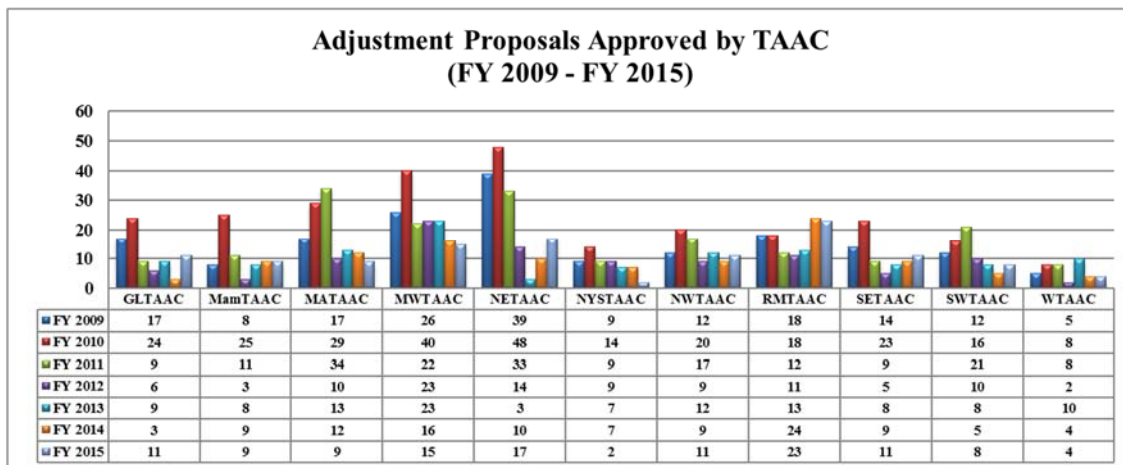
**(9) The number of business recovery plans approved and denied by the Secretary.**

In FY 2015, EDA approved 120 APs, an increase of 11 percent compared to FY 2014. EDA did not deny any AP submitted in FY 2015. EDA successfully met the 60-day processing deadline for approval of APs. The average processing time for APs was 12 business days, a 40 percent increase compared to FY 2014.

*Exhibit 17: Summary of APs Approved: FY 2009 – FY 2015*

| FY                             | No. of APs Approved | Total Government Share | Total Firm Share    | Total Projected AP Costs | Average Government Assistance Per Firm | Average Days Between Submission and Approval |
|--------------------------------|---------------------|------------------------|---------------------|--------------------------|--|--|
| 2009                           | 177                 | \$10,393,639           | \$9,888,201         | \$20,281,840             | \$60,428                               | 20   |
| 2010                           | 265                 | \$16,448,946           | \$15,743,946        | \$32,192,892             | \$62,307                               | 24   |
| 2011                           | 185                 | \$11,075,545           | \$10,580,545        | \$21,656,090             | \$60,522                               | 16   |
| 2012                           | 102                 | \$5,437,455            | \$5,033,455         | \$10,470,910             | \$53,308                               | 21   |
| 2013                           | 114                 | \$6,192,998            | \$5,775,497         | \$11,968,495             | \$54,325                               | 15   |
| 2014                           | 108                 | \$5,354,065            | \$4,955,057         | \$10,309,092             | \$50,038                               | 20   |
| 2015                           | 120                 | \$6,334,449            | \$5,794,449         | \$12,128,898             | \$52,787                               | 12   |
| <b>Total</b>                   | <b>1,071</b>        | <b>\$61,237,097</b>    | <b>\$57,771,150</b> | <b>\$119,008,217</b>     | <b>\$57,662</b>                        | <b>18<sup>21</sup></b>                       |
| <b>% Change (2014 to 2015)</b> | <b>11%</b>          | <b>18%</b>             | <b>17%</b>          | <b>18%</b>               | <b>5%</b>                              | <b>(40)%</b>                                 |

*Exhibit 18: APs Approved by TAAC: FY 2009 – FY 2015*



<sup>21</sup> Unweighted average.

Exhibit 19: APs Approved by TAAC/State: FY 2015

| TAAC/State            | No. of APs Approved | Government Share of Approved AP Projects | Firm Share of Approved AP Projects | Total Approved AP Projects |
|-----------------------|---------------------|--|------------------------------------|----------------------------|
| <b>Great Lakes</b>    | <b>11</b>           | <b>\$615,000</b>                         | <b>\$555,000</b>                   | <b>\$1,170,000</b>         |
| IN                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| MI                    | 7                   | \$420,000                                | \$390,000                          | \$810,000                  |
| OH                    | 3                   | \$172,500                                | \$157,500                          | \$330,000                  |
| <b>Mid-America</b>    | <b>9</b>            | <b>\$412,500</b>                         | <b>\$337,500</b>                   | <b>\$750,000</b>           |
| AR                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| KS                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| MO                    | 7                   | \$367,500                                | \$322,500                          | \$690,000                  |
| <b>MidAtlantic</b>    | <b>9</b>            | <b>\$522,500</b>                         | <b>\$492,500</b>                   | <b>\$1,015,000</b>         |
| MD                    | 1                   | \$75,000                                 | \$75,000                           | \$150,000                  |
| PA                    | 7                   | \$425,000                                | \$410,000                          | \$835,000                  |
| VA                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| <b>Midwest</b>        | <b>15</b>           | <b>\$641,774</b>                         | <b>\$521,774</b>                   | <b>\$1,163,548</b>         |
| IL                    | 14                  | \$619,274                                | \$514,274                          | \$1,133,548                |
| WI                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| <b>New England</b>    | <b>17</b>           | <b>\$892,500</b>                         | <b>\$817,500</b>                   | <b>\$1,710,000</b>         |
| CT                    | 8                   | \$450,000                                | \$420,000                          | \$870,000                  |
| MA                    | 4                   | \$197,500                                | \$182,500                          | \$380,000                  |
| ME                    | 1                   | \$50,000                                 | \$50,000                           | \$100,000                  |
| NH                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| RI                    | 2                   | \$97,500                                 | \$82,500                           | \$180,000                  |
| VT                    | 1                   | \$75,000                                 | \$75,000                           | \$150,000                  |
| <b>New York State</b> | <b>2</b>            | <b>\$121,750</b>                         | <b>\$121,750</b>                   | <b>\$243,500</b>           |
| NY                    | 2                   | \$121,750                                | \$121,750                          | \$243,500                  |
| <b>Northwest</b>      | <b>11</b>           | <b>\$594,425</b>                         | <b>\$519,425</b>                   | <b>\$1,113,850</b>         |
| AK                    | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| OR                    | 5                   | \$372,500                                | \$357,500                          | \$730,000                  |
| WA                    | 5                   | \$199,425                                | \$154,425                          | \$353,850                  |
| <b>Rocky Mountain</b> | <b>23</b>           | <b>\$1,280,000</b>                       | <b>\$1,280,000</b>                 | <b>\$2,560,000</b>         |
| CO                    | 11                  | \$605,000                                | \$605,000                          | \$1,210,000                |
| ND                    | 3                   | \$110,000                                | \$110,000                          | \$220,000                  |
| NE                    | 3                   | \$170,000                                | \$170,000                          | \$340,000                  |
| NM                    | 2                   | \$180,000                                | \$180,000                          | \$360,000                  |
| SD                    | 2                   | \$85,000                                 | \$85,000                           | \$170,000                  |
| UT                    | 1                   | \$30,000                                 | \$30,000                           | \$60,000                   |

| TAAC/State          | No. of APs Approved | Government Share of Approved AP Projects | Firm Share of Approved AP Projects | Total Approved AP Projects |
|---------------------|---------------------|--|------------------------------------|----------------------------|
| WY                  | 1                   | \$100,000                                | \$100,000                          | \$200,000                  |
| <b>Southeastern</b> | <b>11</b>           | <b>\$579,000</b>                         | <b>\$534,000</b>                   | <b>\$1,113,000</b>         |
| AL                  | 1                   | \$14,000                                 | \$14,000                           | \$28,000                   |
| FL                  | 1                   | \$22,500                                 | \$7,500                            | \$30,000                   |
| GA                  | 6                   | \$347,500                                | \$317,500                          | \$665,000                  |
| NC                  | 3                   | \$195,000                                | \$195,000                          | \$390,000                  |
| <b>Southwest</b>    | <b>8</b>            | <b>\$495,000</b>                         | <b>\$465,000</b>                   | <b>\$960,000</b>           |
| OK                  | 1                   | \$75,000                                 | \$75,000                           | \$150,000                  |
| TX                  | 7                   | \$420,000                                | \$390,000                          | \$810,000                  |
| <b>Western</b>      | <b>4</b>            | <b>\$180,000</b>                         | <b>\$150,000</b>                   | <b>\$330,000</b>           |
| CA                  | 4                   | \$180,000                                | \$150,000                          | \$330,000                  |
| <b>Total</b>        | <b>120</b>          | <b>\$6,334,449</b>                       | <b>\$5,794,449</b>                 | <b>\$12,128,898</b>        |

**(10) Average duration of benefits received under the program nationally and in each region served by an intermediary organization (the TAAC) referred to in Section 253(b)(1) of the Trade Act.**

In FY 2015, 153 firms exited the TAAF program after completing the achievable number of project or projects in their business recovery plans within the five-year implementation period. Nationally, firms receive on average 58 months<sup>22</sup> of benefits under the TAAF program.

*Exhibit 20: Average Duration of Benefits Received – Firms that Completed Program: FY 2015 by TAAC (Region)/Firm*

| TAAC           | Average No. of Months Firms Received Benefits Under TAAF program by TAAC |
|----------------|--|
| Great Lakes    | 64   |
| Mid-America    | 47   |
| MidAtlantic    | 52   |
| Midwest        | 72   |
| New England    | 66   |
| New York State | 57   |
| Northwest      | 49   |
| Rocky Mountain | 68   |

<sup>22</sup> Prior to 2008, firms were allowed in excess of five years to complete projects, resulting in a longer than average duration of benefits. Currently, firms have five years from the date of AP approval to complete their projects.

| <b>TAAC</b>  | <b>Average No. of Months Firms Received Benefits Under TAAF program by TAAC</b> |
|--------------|---|
| Southeastern | 37  |
| Southwest    | 68  |
| Western      | 62  |
| <b>Total</b> | <b>58<sup>23</sup></b>  |

**(11) Sales, employment, and productivity at each firm participating in the TAAF program at the time of certification.**

As of the end of FY 2015, 841 active firms with combined sales of \$12 billion and a workforce of 66,625 are participating in the TAAF program. (See exhibit 21 below for figures for each TAAC/State at the time of certification). A firm that has an approved AP, has not completed all projects in their AP, and is still engaged in the TAAF program is considered “active.” For the purposes of this report, productivity is defined as sales per employee. Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee is utilized as a standardized measure for assessing productivity across all firms assisted.

*Exhibit 21: Sales, Employment, and Productivity<sup>24</sup> at the time of Certification for All Firms Participating in the TAAF Program in FY 2015 by TAAC and State:*

| <b>TAAC/State</b>  | <b>Total No. of Active Firms in FY 2015</b> | <b>Total Sales at Certification</b> | <b>Total Employment at Certification</b> | <b>Total Average Productivity at Certification</b> |
|--------------------|---|-------------------------------------|--|--|
| <b>Great Lakes</b> | <b>77</b>                                   | <b>\$1,597,371,611</b>              | <b>9,131</b>                             | <b>\$174,939</b>                                   |
| IN                 | 20  | \$258,227,625                       | 2,189                                    | \$117,966  |
| MI                 | 34  | \$531,985,145                       | 2,525                                    | \$210,687  |
| OH                 | 23  | \$807,158,841                       | 4,417                                    | \$182,739  |
| <b>Mid-America</b> | <b>47</b>                                   | <b>\$358,238,473</b>                | <b>2,793</b>                             | <b>\$128,263</b>                                   |
| AR                 | 4   | \$11,047,751                        | 214                                      | \$51,625   |
| KS                 | 9   | \$46,869,337                        | 505                                      | \$92,811   |
| MO                 | 34  | \$300,321,385                       | 2,074                                    | \$144,803  |
| <b>MidAtlantic</b> | <b>116</b>                                  | <b>\$1,206,878,428</b>              | <b>7,887</b>                             | <b>\$153,021</b>                                   |
| MD                 | 5   | \$18,645,830                        | 162                                      | \$115,098  |
| NJ                 | 4   | \$26,775,770                        | 218                                      | \$122,825  |

<sup>23</sup> Ibid. Footnote 21.

<sup>24</sup> The total productivity as presented across TAACs, States and the summary line of Exhibit 21 represents the actual total average productivity in FY 2015. This total, derived by calculating the mean horizontally (not vertically), is based on raw data and provides the most accurate representation of productivity for all TAACs and States. While this figure is provided in the table, it should be noted that calculating total productivity vertically introduces additional degrees of error as it represents the average of averages.

| TAAC/State            | Total No. of Active Firms in FY 2015 | Total Sales at Certification | Total Employment at Certification | Total Average Productivity at Certification |
|-----------------------|--------------------------------------|------------------------------|-----------------------------------|---|
| PA                    | 104                                  | \$1,148,372,407              | 7,320                             | \$156,881                                   |
| VA                    | 3                                    | \$13,084,421                 | 187                               | \$69,970                                    |
| <b>Midwest</b>        | <b>142</b>                           | <b>\$2,091,500,939</b>       | <b>11,022</b>                     | <b>\$189,757</b>                            |
| IA                    | 5                                    | \$114,371,360                | 471                               | \$242,827                                   |
| IL                    | 92                                   | \$957,953,284                | 5,504                             | \$174,047                                   |
| MN                    | 18                                   | \$147,323,889                | 1,080                             | \$136,411                                   |
| WI                    | 27                                   | \$871,852,406                | 3,967                             | \$219,776                                   |
| <b>New England</b>    | <b>96</b>                            | <b>\$604,474,386</b>         | <b>4,293</b>                      | <b>\$140,805</b>                            |
| CT                    | 20                                   | \$172,602,626                | 982                               | \$175,766                                   |
| MA                    | 42                                   | \$198,364,020                | 1,455                             | \$136,333                                   |
| ME                    | 10                                   | \$88,308,282                 | 664                               | \$132,994                                   |
| NH                    | 10                                   | \$76,681,303                 | 436                               | \$175,875                                   |
| RI                    | 11                                   | \$37,241,690                 | 383                               | \$97,237                                    |
| VT                    | 3                                    | \$31,276,465                 | 373                               | \$83,851                                    |
| <b>New York State</b> | <b>40</b>                            | <b>\$362,722,190</b>         | <b>2,333</b>                      | <b>\$155,475</b>                            |
| NY                    | 40                                   | \$362,722,190                | 2,333                             | \$155,475                                   |
| <b>Northwest</b>      | <b>68</b>                            | <b>\$564,164,578</b>         | <b>2,795</b>                      | <b>\$201,848</b>                            |
| AK                    | 4                                    | \$21,394,284                 | 80                                | \$267,429                                   |
| ID                    | 9                                    | \$71,868,087                 | 652                               | \$110,227                                   |
| MT                    | 7                                    | \$36,164,211                 | 253                               | \$142,942                                   |
| OR                    | 16                                   | \$265,673,016                | 751                               | \$353,759                                   |
| WA                    | 32                                   | \$169,064,980                | 1,059                             | \$159,646                                   |
| <b>Rocky Mountain</b> | <b>98</b>                            | <b>\$3,445,648,011</b>       | <b>16,548</b>                     | <b>\$208,221</b>                            |
| CO                    | 41                                   | \$756,096,429                | 3,416                             | \$221,340                                   |
| ND                    | 10                                   | \$210,037,082                | 999                               | \$210,247                                   |
| NE                    | 8                                    | \$63,293,370                 | 497                               | \$127,351                                   |
| NM                    | 4                                    | \$37,182,171                 | 284                               | \$130,923                                   |
| SD                    | 11                                   | \$797,760,817                | 3,808                             | \$209,496                                   |
| UT                    | 21                                   | \$1,456,200,238              | 7,018                             | \$207,495                                   |
| WY                    | 3                                    | \$125,077,904                | 526                               | \$237,791                                   |
| <b>Southeastern</b>   | <b>53</b>                            | <b>\$471,578,479</b>         | <b>4,208</b>                      | <b>\$112,067</b>                            |
| AL                    | 4                                    | \$31,642,952                 | 261                               | \$121,237                                   |
| FL                    | 4                                    | \$2,118,362                  | 16                                | \$132,398                                   |
| GA                    | 14                                   | \$48,379,663                 | 959                               | \$50,448                                    |
| KY                    | 2                                    | \$51,085,164                 | 310                               | \$164,791                                   |
| MS                    | 2                                    | \$20,223,322                 | 208                               | \$97,228                                    |
| NC                    | 17                                   | \$96,656,560                 | 904                               | \$106,921                                   |
| SC                    | 8                                    | \$190,837,901                | 1,393                             | \$136,998                                   |
| TN                    | 2                                    | \$30,634,555                 | 157                               | \$195,125                                   |

| TAAC/State                | Total No. of Active Firms in FY 2015 | Total Sales at Certification | Total Employment at Certification | Total Average Productivity at Certification |
|---------------------------|--------------------------------------|------------------------------|-----------------------------------|---|
| <b>Southwest</b>          | <b>71</b>                            | <b>\$367,448,767</b>         | <b>3,150</b>                      | <b>\$116,650</b>                            |
| LA                        | 20                                   | \$111,742,825                | 481                               | \$232,314                                   |
| OK                        | 20                                   | \$125,448,009                | 1,267                             | \$99,012                                    |
| TX                        | 31                                   | \$130,257,933                | 1,402                             | \$92,909                                    |
| <b>Western</b>            | <b>33</b>                            | <b>\$553,071,960</b>         | <b>2,465</b>                      | <b>\$224,370</b>                            |
| AZ                        | 4                                    | \$42,071,508                 | 284                               | \$148,139                                   |
| CA                        | 25                                   | \$481,154,765                | 1,983                             | \$242,640                                   |
| HI                        | 2                                    | \$23,068,866                 | 126                               | \$183,086                                   |
| NV                        | 2                                    | \$6,776,821                  | 72                                | \$94,123                                    |
| <b>Total (Nationwide)</b> | <b>841</b>                           | <b>\$11,623,097,822</b>      | <b>66,625</b>                     | <b>\$174,456<sup>25</sup></b>               |

- (12) Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion.
- (13) The number of firms in operation as of the date of this report and the number of firms that ceased operations after completing the program in each year during the two-year period following completion of the program.

*Exhibit 22: Summary of Average Sales, Employment, and Productivity at Firms upon Completion of the Program, the One-Year and Two-Year Period Following Completion, and from Certification to Two-Years Following Completion.*

|                             | Certification (Firms that completed in FY 2013) | Completion (FY 2013) | 1st Year Following Completion (FY 2014) | 2nd Year Following Completion (FY 2015) | % Change 1st Year after Completion | % Change 2nd Year after Completion | % Change Certification to 2 <sup>nd</sup> Year after Completion |
|-----------------------------|---|----------------------|---|---|------------------------------------|------------------------------------|---|
| <b>Average Sales</b>        | \$9,852,925                                     | \$11,627,710         | \$14,048,005                            | \$13,204,977                            | <b>21%</b>                         | <b>14%</b>                         | <b>34%</b>  |
| <b>Average Employment</b>   | 79  | 86                   | 88                                      | 89                                      | <b>2%</b>                          | <b>3%</b>                          | <b>13%</b>  |
| <b>Average Productivity</b> | \$124,721                                       | \$135,206            | \$159,636                               | \$148,371                               | <b>18%</b>                         | <b>10%</b>                         | <b>19%</b>  |

In order to assess the effectiveness of the TAAF program, EDA evaluates the extent to which client firms increased their sales, productivity<sup>26</sup>, and employment levels following the implementation of TAAF-supported projects (program completion). To measure these

<sup>25</sup> Ibid. Footnote 24.

<sup>26</sup> Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee was chosen as the productivity measure. This measure is used because it can be generally applied to all certified firms.

outcomes, EDA compares average sales, average productivity, and average employment of all firms completing the program in a particular year (known as the “base year”) to these same figures for the same firms at one and two years following program completion. The base year used for this report is FY 2013, as this allows EDA to compare these measures looking back both one and two years from the date of this FY 2015 report.

One year after completing the program, firms participating in the TAAF program reported that average sales had increased by 20.8 percent, average productivity had increased by 18.1 percent, and average employment had increased by 2.3 percent from the prior year. By comparison, the U.S. Bureau of the Census Annual Survey of Manufacturers (Census) reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 1.2 percent and an average productivity decrease of .09 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment increase of 1.3 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.

Two years after completing the program, these same firms reported average sales had increased by 13.6 percent, average productivity had increased by 9.7 percent, and average employment had increased by 3.5 percent from 2013. Meanwhile, BLS reported that the manufacturing industry experienced an average employment increase of 2.5 percent from 2013<sup>27</sup>.

Additionally, these same firms reported that from the time of *petition certification* to one year after completing the program (a period of six years, on average<sup>28</sup>), sales increased by 42.6 percent, productivity increased by 28 percent and employment increased by 11.4 percent. By comparison, Census reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 10 percent and an average productivity increase of 25 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment *decrease* of 12 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.

Furthermore, all TAAF-assisted firms that completed the program in FY 2013 were in operation at the end of FY 2015, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

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<sup>27</sup> Only employment data – not sales or productivity data – are available for 2015 at the time of this report for the manufacturing industry.

<sup>28</sup> Firms average six years from the time of certification to complete the program. Therefore, manufacturing industry data are used for the period of 2007 to 2014, as firms completing the program in 2013 would have been certified, on average, in 2007.

*Exhibit 23: Sales, Employment, and Productivity at Each Firm at Certification, Completion of the Program and Two-Year Period Following Completion.*

| Firm ID         | Average Sales at Certification | Average Sales at Completion (FY 2013) | Average Sales 1st Yr. Following Completion (FY 2014) | Average Sales 2nd Yr. Following Completion (FY 2015) | Average Employment at Certification | Average Employment at Completion (FY 2013) | Average Employment 1st Yr. Following Completion (FY 2014) | Average Employment 2nd Yr. Following Completion (FY 2015) | Average Productivity at Certification | Average Productivity at Completion (FY 2013) | Average Productivity 1st Yr. Following Completion (FY 2014) | Average Productivity 2nd Yr. Following Completion (FY 2015) |
|-----------------|--------------------------------|---------------------------------------|--|--|-------------------------------------|--|---|---|---------------------------------------|--|---|---|
| GLTAAC-CMP-001  | \$773,680                      | \$564,000                             | \$496,000  | \$430,192  | 12                                  | 8  | 8   | 6   | \$64,473                              | \$70,500                                     | \$62,000  | \$71,699  |
| GLTAAC-CMP-002  | \$7,800,000                    | \$7,868,744                           | \$7,000,000  | \$8,500,000  | 39                                  | 46   | 40  | 43  | \$200,000                             | \$171,060                                    | \$175,000   | \$197,674   |
| GLTAAC-CMP-003  | \$2,462,235                    | \$1,500,000                           | \$1,500,000  | \$1,500,000  | 21                                  | 10   | 8   | 7   | \$117,249                             | \$150,000                                    | \$187,500   | \$214,286   |
| MamTAAC-CMP-001 | \$16,895,000                   | \$24,433,731                          | \$24,154,744   | \$21,416,689   | 152                                 | 160  | 141   | 110   | \$111,151                             | \$152,711                                    | \$171,310   | \$194,697   |
| MamTAAC-CMP-002 | \$1,291,000                    | \$2,366,044                           | \$2,780,000  | \$1,835,650  | 11                                  | 13   | 11  | 10  | \$117,364                             | \$182,003                                    | \$252,727   | \$183,565   |
| MamTAAC-CMP-003 | \$311,000                      | \$400,000                             | \$596,000  | \$999,650  | 8                                   | 11   | 12  | 10  | \$38,875                              | \$36,364                                     | \$49,667  | \$99,965  |
| MamTAAC-CMP-006 | \$392,000                      | \$160,000                             | \$167,700  | \$159,000  | 3                                   | 2  | 3   | 3   | \$130,667                             | \$80,000                                     | \$55,900  | \$53,000  |
| MamTAAC-CMP-007 | \$26,340,000                   | \$44,809,000                          | \$47,359,777   | \$57,745,000   | 140                                 | 111  | 111   | 139   | \$188,143                             | \$403,685                                    | \$426,665   | \$415,432   |
| MamTAAC-CMP-008 | \$2,290,000                    | \$7,351,856                           | \$8,006,000  | \$10,170,773   | 24                                  | 48   | 43  | 46  | \$95,417                              | \$153,164                                    | \$186,186   | \$221,104   |
| MamTAAC-CMP-009 | \$10,956,000                   | \$10,000,000                          | \$8,000,000  | \$7,000,000  | 63                                  | 40   | 33  | 34  | \$173,905                             | \$250,000                                    | \$242,424   | \$205,882   |
| MamTAAC-CMP-010 | \$14,759,000                   | \$25,917,000                          | \$27,760,476   | \$28,974,696   | 108                                 | 127  | 135   | 150   | \$136,657                             | \$204,071                                    | \$205,633   | \$193,165   |
| MATAAC-CMP-001  | \$23,282,141                   | \$34,010,000                          | \$38,855,739   | \$39,800,000   | 184                                 | 247  | 271   | 263   | \$126,533                             | \$137,692                                    | \$143,379   | \$151,331   |
| MATAAC-CMP-002  | \$9,976,653                    | \$20,230,757                          | \$21,620,000   | \$15,224,306   | 62                                  | 102  | 108   | 106   | \$160,914                             | \$198,341                                    | \$200,185   | \$143,626   |
| MATAAC-CMP-003  | \$12,369,379                   | \$18,045,997                          | \$20,550,828   | \$18,694,797   | 78                                  | 106  | 112   | 113   | \$158,582                             | \$170,245                                    | \$183,490   | \$165,441   |
| MATAAC-CMP-004  | \$8,194,926                    | \$9,813,000                           | \$9,129,526  | \$8,021,208  | 82                                  | 84   | 76  | 80  | \$99,938                              | \$116,821                                    | \$120,125   | \$100,265   |
| MATAAC-CMP-005  | \$1,056,240                    | \$1,740,332                           | \$1,615,000  | \$1,175,209  | 20                                  | 18   | 16  | 17  | \$52,812                              | \$96,685                                     | \$100,938   | \$69,130  |
| MWTAAC-CMP-001  | \$6,335,000                    | \$7,899,023                           | \$7,906,366  | \$8,240,000  | 48                                  | 46   | 47  | 43  | \$131,979                             | \$171,718                                    | \$168,221   | \$191,628   |
| MWTAAC-CMP-002  | \$2,491,096                    | \$3,452,782                           | \$2,722,452  | \$2,800,000  | 20                                  | 24   | 24  | 23  | \$124,555                             | \$143,866                                    | \$113,436   | \$121,739   |
| MWTAAC-CMP-003  | \$7,901,062                    | \$4,800,000                           | \$5,300,000  | \$5,500,000  | 25                                  | 22   | 25  | 30  | \$316,042                             | \$218,182                                    | \$212,000   | \$183,333   |



| Firm ID        | Average Sales at Certification | Average Sales at Completion (FY 2013) | Average Sales 1st Yr. Following Completion (FY 2014) | Average Sales 2nd Yr. Following Completion (FY 2015) | Average Employment at Certification | Average Employment at Completion (FY 2013) | Average Employment 1st Yr. Following Completion (FY 2014) | Average Employment 2nd Yr. Following Completion (FY 2015) | Average Productivity at Certification | Average Productivity at Completion (FY 2013) | Average Productivity 1st Yr. Following Completion (FY 2014) | Average Productivity 2nd Yr. Following Completion (FY 2015) |
|----------------|--------------------------------|---------------------------------------|--|--|-------------------------------------|--|---|---|---------------------------------------|--|---|---|
| MWTAAC-CMP-006 | \$3,289,000                    | \$4,000,000                           | \$4,600,000  | \$4,710,000  | 22                                  | 28   | 29  | 31  | \$149,500                             | \$142,857                                    | \$158,621   | \$151,935   |
| MWTAAC-CMP-007 | \$2,823,473                    | \$2,940,000                           | \$2,680,079  | \$2,700,000  | 33                                  | 26   | 25  | 25  | \$85,560                              | \$113,077                                    | \$107,203   | \$108,000   |
| MWTAAC-CMP-008 | \$54,220,000                   | \$80,000,000                          | \$94,000,000   | \$101,000,000  | 320                                 | 500  | 587   | 604   | \$169,438                             | \$160,000                                    | \$160,136   | \$167,219   |
| NWTAAC-CMP-001 | \$45,487,000                   | \$60,000,000                          | \$75,891,000   | \$75,000,000   | 363                                 | 440  | 534   | 497   | \$125,309                             | \$136,364                                    | \$142,118   | \$150,905   |
| NWTAAC-CMP-002 | \$1,051,000                    | \$780,000                             | \$738,000  | \$750,000  | 14                                  | 10   | 7   | 10  | \$75,071                              | \$78,000                                     | \$105,429   | \$75,000  |
| NWTAAC-CMP-003 | \$3,433,000                    | \$5,900,000                           | \$4,000,000  | \$4,000,000  | 34                                  | 41   | 33  | 32  | \$100,971                             | \$143,902                                    | \$121,212   | \$125,000   |
| NWTAAC-CMP-004 | \$764,000                      | \$16,115,000                          | \$19,000,000   | \$24,000,000   | 6                                   | 35   | 45  | 50  | \$127,333                             | \$460,429                                    | \$422,222   | \$480,000   |
| NWTAAC-CMP-005 | \$42,406,000                   | \$42,000,000                          | \$42,000,000   | \$44,978,069   | 243                                 | 325  | 325   | 325   | \$174,510                             | \$129,231                                    | \$129,231   | \$138,394   |
| NWTAAC-CMP-006 | \$24,614,000                   | \$8,450,000                           | \$8,324,117  | \$8,660,000  | 120                                 | 56   | 58  | 57  | \$205,117                             | \$150,893                                    | \$143,519   | \$151,930   |
| NWTAAC-CMP-007 | \$911,000                      | \$854,000                             | \$773,852  | \$1,094,521  | 11                                  | 10   | 10  | 8   | \$82,818                              | \$85,400                                     | \$77,385  | \$136,815   |
| NWTAAC-CMP-008 | \$1,454,000                    | \$3,500,000                           | \$4,900,000  | \$5,538,705  | 18                                  | 147  | 160   | 48  | \$80,778                              | \$23,810                                     | \$30,625  | \$115,390   |
| NWTAAC-CMP-009 | \$5,347,000                    | \$13,368,000                          | \$11,705,311   | \$14,268,000   | 43                                  | 78   | 57  | 77  | \$124,349                             | \$171,385                                    | \$205,356   | \$185,299   |
| NWTAAC-CMP-010 | \$2,918,000                    | \$2,200,000                           | \$2,000,000  | \$2,350,000  | 41                                  | 33   | 28  | 28  | \$71,171                              | \$66,667                                     | \$71,429  | \$83,929  |
| NWTAAC-CMP-011 | \$990,000                      | \$2,500,000                           | \$4,000,000  | \$3,000,000  | 35                                  | 25   | 24  | 21  | \$28,286                              | \$100,000                                    | \$166,667   | \$142,857   |
| NWTAAC-CMP-012 | \$6,390,000                    | \$18,800,000                          | \$122,275,000  | \$17,186,000   | 71                                  | 88   | 88  | 93  | \$90,000                              | \$213,636                                    | \$1,389,489   | \$184,796   |
| NWTAAC-CMP-013 | \$1,099,000                    | \$2,130,000                           | \$3,315,000  | \$4,633,909  | 17                                  | 20   | 24  | 30  | \$64,647                              | \$106,500                                    | \$138,125   | \$154,464   |
| NWTAAC-CMP-014 | \$728,000                      | \$1,048,544                           | \$1,013,303  | \$1,194,428  | 12                                  | 15   | 16  | 19  | \$60,667                              | \$69,903                                     | \$63,331  | \$62,865  |
| NWTAAC-CMP-015 | \$4,270,000                    | \$7,623,000                           | \$8,504,437  | \$9,841,414  | 52                                  | 70   | 61  | 79  | \$82,115                              | \$108,900                                    | \$139,417   | \$124,575   |
| NWTAAC-CMP-016 | \$3,015,000                    | \$1,740,000                           | \$1,609,910  | \$1,490,870  | 27                                  | 15   | 15  | 14  | \$111,667                             | \$116,000                                    | \$107,327   | \$106,491   |
| NWTAAC-CMP-017 | \$629,000                      | \$645,000                             | \$1,064,109  | \$2,181,677  | 5                                   | 11   | 10  | 15  | \$125,800                             | \$58,636                                     | \$106,411   | \$145,445   |
| NWTAAC-CMP-018 | \$13,874,000                   | \$17,500,000                          | \$16,700,000   | \$13,400,000   | 100                                 | 94   | 94  | 91  | \$138,740                             | \$186,170                                    | \$177,660   | \$147,253   |
| NWTAAC-CMP-019 | \$108,000                      | \$135,572                             | \$95,913   | \$107,149  | 1                                   | 2  | 2   | 1   | \$108,000                             | \$67,786                                     | \$47,957  | \$107,149   |

| Firm ID         | Average Sales at Certification | Average Sales at Completion (FY 2013) | Average Sales 1st Yr. Following Completion (FY 2014) | Average Sales 2nd Yr. Following Completion (FY 2015) | Average Employment at Certification | Average Employment at Completion (FY 2013) | Average Employment 1st Yr. Following Completion (FY 2014) | Average Employment 2nd Yr. Following Completion (FY 2015) | Average Productivity at Certification | Average Productivity at Completion (FY 2013) | Average Productivity 1st Yr. Following Completion (FY 2014) | Average Productivity 2nd Yr. Following Completion (FY 2015) |
|-----------------|--------------------------------|---------------------------------------|--|--|-------------------------------------|--|---|---|---------------------------------------|--|---|---|
| NWTAAC-CMP-020  | \$1,766,000                    | \$2,043,000                           | \$1,820,000  | \$1,840,000  | 21                                  | 31   | 22  | 24  | \$84,095                              | \$65,903                                     | \$82,727  | \$76,667  |
| NWTAAC-CMP-021  | \$10,210,000                   | \$15,000,000                          | \$25,000,000   | \$35,000,000   | 90                                  | 110  | 100   | 109   | \$113,444                             | \$136,364                                    | \$250,000   | \$321,101   |
| NWTAAC-CMP-022  | \$3,187,000                    | \$2,832,382                           | \$2,863,623  | \$2,769,813  | 45                                  | 49   | 38  | 39  | \$70,822                              | \$57,804                                     | \$75,359  | \$71,021  |
| NYSTAAC-CMP-001 | \$8,650,171                    | \$7,500,000                           | \$7,750,000  | \$7,850,000  | 167                                 | 155  | 157   | 162   | \$51,797                              | \$48,387                                     | \$49,363  | \$48,457  |
| NYSTAAC-CMP-002 | \$1,855,202                    | \$1,500,000                           | \$1,550,000  | \$1,650,000  | 19                                  | 15   | 17  | 20  | \$97,642                              | \$100,000                                    | \$91,176  | \$82,500  |
| NYSTAAC-CMP-003 | \$39,632,756                   | \$40,000,000                          | \$41,000,000   | \$42,000,000   | 451                                 | 450  | 460   | 465   | \$87,878                              | \$88,889                                     | \$89,130  | \$90,323  |
| NYSTAAC-CMP-004 | \$5,870,008                    | \$4,900,000                           | \$5,000,000  | \$5,100,000  | 156                                 | 150  | 150   | 156   | \$37,628                              | \$32,667                                     | \$33,333  | \$32,692  |
| NYSTAAC-CMP-005 | \$3,379,076                    | \$3,000,000                           | \$3,500,000  | \$3,750,000  | 29                                  | 27   | 29  | 30  | \$116,520                             | \$111,111                                    | \$120,690   | \$125,000   |
| NYSTAAC-CMP-006 | \$10,578,429                   | \$9,500,000                           | \$10,000,000   | \$10,500,000   | 104                                 | 99   | 102   | 105   | \$101,716                             | \$95,960                                     | \$98,039  | \$100,000   |
| NYSTAAC-CMP-007 | \$8,662,992                    | \$8,600,000                           | \$9,000,000  | \$9,100,000  | 115                                 | 115  | 120   | 120   | \$75,330                              | \$74,783                                     | \$75,000  | \$75,833  |
| NYSTAAC-CMP-008 | \$15,690,666                   | \$21,000,000                          | \$25,343,000   | \$18,999,000   | 102                                 | 144  | 140   | 125   | \$153,830                             | \$145,833                                    | \$181,021   | \$151,992   |
| NYSTAAC-CMP-009 | \$130,195                      | \$136,000                             | \$140,000  | \$142,000  | 8                                   | 6  | 6   | 6   | \$16,274                              | \$22,667                                     | \$23,333  | \$23,667  |
| NYSTAAC-CMP-010 | \$22,665,739                   | \$9,000,000                           | \$5,100,000  | \$10,300,000   | 160                                 | 70   | 72  | 72  | \$141,661                             | \$128,571                                    | \$70,833  | \$143,056   |
| NYSTAAC-CMP-011 | \$2,282,162                    | \$2,400,000                           | \$2,500,000  | \$2,600,000  | 26                                  | 26   | 27  | 27  | \$87,775                              | \$92,308                                     | \$92,593  | \$96,296  |
| NYSTAAC-CMP-012 | \$12,800,000                   | \$16,000,000                          | \$16,200,000   | \$16,250,000   | 119                                 | 155  | 155   | 156   | \$107,563                             | \$103,226                                    | \$104,516   | \$104,167   |
| RMTAAC-CMP-001  | \$2,441,865                    | \$5,800,000                           | \$6,771,135  | \$7,224,462  | 10                                  | 23   | 26  | 21  | \$244,187                             | \$252,174                                    | \$260,428   | \$344,022   |
| RMTAAC-CMP-002  | \$1,354,620                    | \$3,158,638                           | \$3,874,210  | \$3,579,787  | 10                                  | 16   | 18  | 17  | \$135,462                             | \$197,415                                    | \$215,234   | \$210,576   |
| RMTAAC-CMP-003  | \$2,740,402                    | \$8,219,172                           | \$10,143,694   | \$9,135,193  | 17                                  | 27   | 26  | 29  | \$161,200                             | \$304,414                                    | \$390,142   | \$315,007   |
| RMTAAC-CMP-004  | \$24,766,900                   | \$17,923,031                          | \$14,242,300   | \$21,500,000   | 89                                  | 62   | 60  | 64  | \$278,280                             | \$289,081                                    | \$237,372   | \$335,938   |
| RMTAAC-CMP-005  | \$9,384,554                    | \$8,300,000                           | \$13,151,000   | \$13,954,000   | 68                                  | 75   | 133   | 137   | \$138,008                             | \$110,667                                    | \$98,880  | \$101,854   |
| SETAAC-CMP-001  | \$102,461,573                  | \$93,000,000                          | \$101,000,000  | \$100,200,000  | 738                                 | 660  | 630   | 650   | \$138,837                             | \$140,909                                    | \$160,317   | \$154,154   |
| SETAAC-CMP-002  | \$943,348                      | \$1,138,766                           | \$1,407,000  | \$1,632,597  | 10                                  | 9  | 13  | 12  | \$94,335                              | \$126,530                                    | \$108,231   | \$136,050   |

| Firm ID              | Average Sales at Certification | Average Sales at Completion (FY 2013) | Average Sales 1st Yr. Following Completion (FY 2014) | Average Sales 2nd Yr. Following Completion (FY 2015) | Average Employment at Certification | Average Employment at Completion (FY 2013) | Average Employment 1st Yr. Following Completion (FY 2014) | Average Employment 2nd Yr. Following Completion (FY 2015) | Average Productivity at Certification | Average Productivity at Completion (FY 2013) | Average Productivity 1st Yr. Following Completion (FY 2014) | Average Productivity 2nd Yr. Following Completion (FY 2015) |
|----------------------|--------------------------------|---------------------------------------|--|--|-------------------------------------|--|---|---|---------------------------------------|--|---|---|
| SETAAC-CMP-003       | \$12,641,957                   | \$13,702,872                          | \$13,750,000   | \$15,582,000   | 68                                  | 101  | 101   | 115   | \$185,911                             | \$135,672                                    | \$136,139   | \$135,496   |
| SETAAC-CMP-004       | \$4,321,781                    | \$7,440,417                           | \$8,500,000  | \$10,000,000   | 76                                  | 75   | 95  | 120   | \$56,866                              | \$99,206                                     | \$89,474  | \$83,333  |
| SETAAC-CMP-005       | \$8,596,576                    | \$7,332,800                           | \$6,739,200  | \$6,700,000  | 115                                 | 80   | 77  | 73  | \$74,753                              | \$91,660                                     | \$87,522  | \$91,781  |
| SETAAC-CMP-006       | \$15,967,259                   | \$7,923,431                           | \$8,383,164  | \$9,696,430  | 145                                 | 97   | 76  | 82  | \$110,119                             | \$81,685                                     | \$110,305   | \$118,249   |
| SETAAC-CMP-007       | \$265,252                      | \$867,000                             | \$1,093,946  | \$2,100,000  | 6                                   | 12   | 14  | 19  | \$44,209                              | \$72,250                                     | \$78,139  | \$110,526   |
| SETAAC-CMP-008       | \$834,971                      | \$2,017,149                           | \$2,134,611  | \$2,211,099  | 9                                   | 12   | 11  | 12  | \$92,775                              | \$168,096                                    | \$194,056   | \$184,258   |
| SETAAC-CMP-009       | \$3,905,677                    | \$6,439,574                           | \$7,911,851  | \$8,000,000  | 74                                  | 61   | 70  | 77  | \$52,779                              | \$105,567                                    | \$113,026   | \$103,896   |
| SETAAC-CMP-010       | \$801,585                      | \$807,232                             | \$750,000  | \$550,000  | 10                                  | 14   | 14  | 10  | \$80,159                              | \$57,659                                     | \$53,571  | \$55,000  |
| <b>Total Average</b> | <b>\$9,852,925</b>             | <b>\$11,627,710</b>                   | <b>\$14,048,005</b>                                  | <b>\$13,204,977</b>                                  | <b>79</b>                           | <b>86</b>                                  | <b>88</b>   | <b>89</b>   | <b>\$124,721</b>                      | <b>\$135,206</b>                             | <b>\$159,636</b>  | <b>\$148,371</b>  |

**(14) The financial assistance received by each firm participating in the program.**

**(15) The financial contribution made by each firm participating in the program.**

In FY 2015, firms received \$9 million worth of *technical* assistance provided to prepare petitions and to develop and implement APs (often through business consultants and other experts). Funds are not provided directly to firms; instead, EDA funds the TAACs, who either provide technical assistance themselves or pay a portion of the cost to secure specialized business consultants, for which firms pay a matching share. The firms represented in this report paid nearly \$6 million to match TAAF funds towards the development and implementation of APs.

*Exhibit 24: Summary of TAAC Financial Assistance and Matching Firm Contributions: FY 2015*

| <b>TAAC</b>    | <b>Total TAAC Assistance<sup>29</sup></b> | <b>Financial Contribution by the Firms</b> |
|----------------|---|--|
| Great Lakes    | \$810,019                                 | \$405,843                                  |
| Mid-America    | \$643,375                                 | \$431,881                                  |
| MidAtlantic    | \$961,631                                 | \$871,272                                  |
| Midwest        | \$1,095,196                               | \$772,292                                  |
| New England    | \$1,285,243                               | \$1,100,207                                |
| New York State | \$472,330                                 | \$309,811                                  |
| Northwest      | \$1,119,608                               | \$484,859                                  |
| Rocky Mountain | \$1,385,604                               | \$848,071                                  |
| Southeastern   | \$657,789                                 | \$267,468                                  |
| Southwest      | \$352,865                                 | \$202,486                                  |
| Western        | \$688,038                                 | \$151,278                                  |
| <b>Total</b>   | <b>\$9,471,698</b>                        | <b>\$5,845,468</b>                         |

**(16) The types of technical assistance included in the business recovery plans of firms participating in the program.**

TAACs reported that Marketing/Sales projects accounted for 39 percent of all projects. Marketing/Sales projects are geared toward increasing revenue, whereas Production projects tend to be geared toward cutting costs. Support Systems projects can provide a competitive advantage by either cutting costs or creating new sales channels. Management and Financial projects are designed to improve management's decision making ability and business control.

Additionally, 19 percent of all projects focused on developing or increasing export opportunities for TAAF-assisted firms.

Sample projects are listed in Exhibit 25.

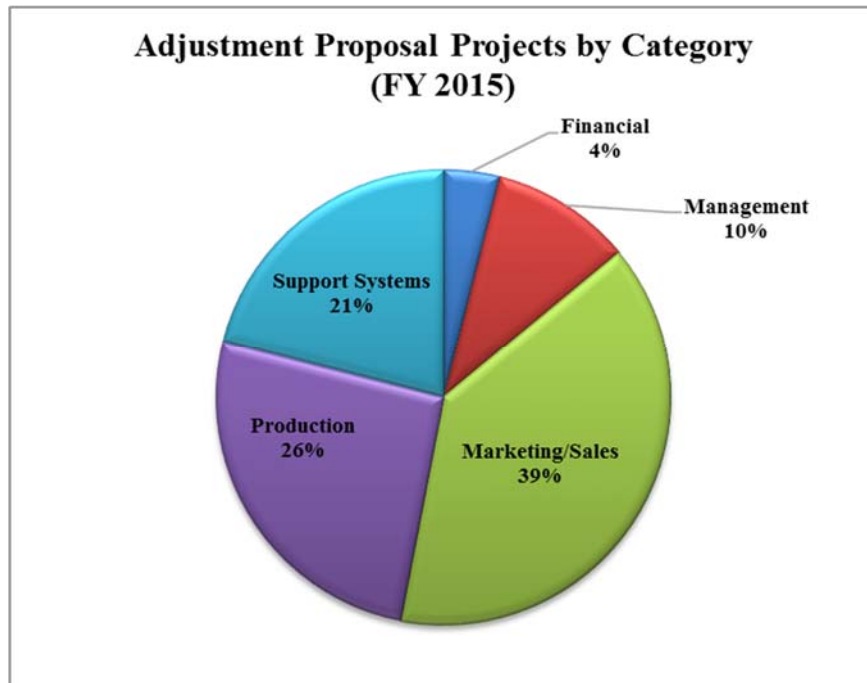
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<sup>29</sup> This does not include the amount expended by the TAACs for outreach to potential new firms.

*Exhibit 25: Characteristics of Technical Assistance in APs: FY 2015*

| <b>Project Classification</b> | <b>Sample Types of Projects</b>   | <b>Number of AP Projects<sup>30</sup></b> | <b>AP Project Costs</b> |
|-------------------------------|---|---|-------------------------|
| Financial                     | <ul style="list-style-type: none"> <li>• Accounting systems upgrade</li> <li>• Cost Control tracking system</li> <li>• Automatic Data Processing development</li> </ul>       | 17  | \$195,000               |
| Management                    | <ul style="list-style-type: none"> <li>• Strategic business planning</li> <li>• Succession management</li> <li>• Management development</li> </ul>                            | 43  | \$564,500               |
| Marketing/Sales               | <ul style="list-style-type: none"> <li>• Sales process training</li> <li>• Market expansion and feasibility</li> <li>• Website design and upgrade</li> </ul>                  | 167                                       | \$4,825,198             |
| Production                    | <ul style="list-style-type: none"> <li>• Lean manufacturing and certification</li> <li>• New Product Development</li> <li>• Production and Warehouse automation</li> </ul>    | 111                                       | \$3,770,700             |
| Support Systems               | <ul style="list-style-type: none"> <li>• Enterprise Resource Planning</li> <li>• Management Information Systems upgrades</li> <li>• Computer Aided Design software</li> </ul> | 90  | \$2,773,500             |

*Exhibit 26: APs by Project Classification: FY 2015*



<sup>30</sup> A firm may have up to five projects in an approved AP.

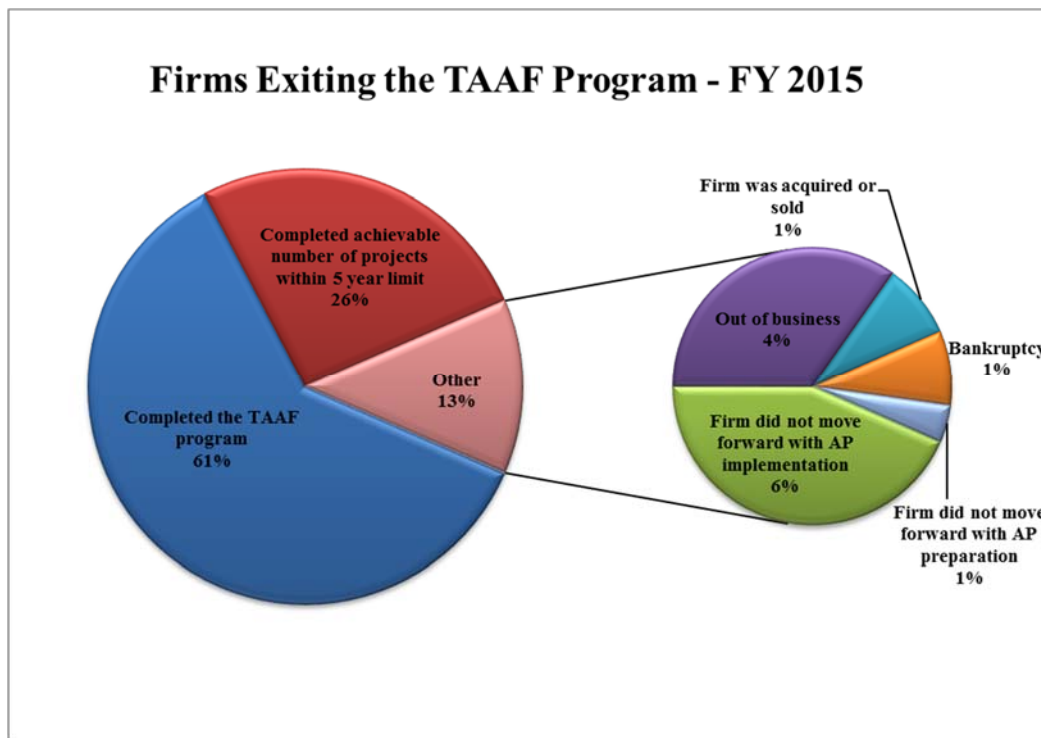
**(17) The number of firms leaving the program before completing the project or projects in their business recovery plans and the reason the project or projects were not completed.**

In FY 2015, 23 firms left the TAAF program before completing the project or projects in their business recovery plans for the other reasons listed below in Exhibit 27.

*Exhibit 27: Summary of Firms Leaving the TAAF program: FY 2015*

| <b>Reason for Leaving Program</b>                | <b>Number of Firms</b> |
|--|------------------------|
| Firm did not move forward with AP implementation | 10                     |
| Out of business                                  | 8                      |
| Firm was acquired or sold                        | 2                      |
| Bankruptcy                                       | 2                      |
| Firm did not move forward with AP preparation    | 1                      |
| <b>Total</b>                                     | <b>23</b>              |

*Exhibit 28: Summary of Firms that Exited the TAAF program for All Reasons: FY 2015*



**(18) The total amount expended by all intermediary organizations referred to in Section 253(b)(1) and by each organization to administer the program.**

*Exhibit 29: Summary of Expenditures by TAAC Across Budget Categories: FY 2015*

| <b>TAAC</b>               | <b>Personnel (including Fringe Benefits)</b> | <b>Contracts (Federal Share)</b> | <b>Travel</b>    | <b>Equipment and Supplies</b> | <b>Other</b>     | <b>Indirect Costs<sup>31</sup></b> | <b>Total TAAC Expenditures</b> |
|---------------------------|--|----------------------------------|------------------|-------------------------------|------------------|------------------------------------|--------------------------------|
| Great Lakes               | \$500,555                                    | \$451,026                        | \$7,800          | \$11,383                      | \$23,196         | \$287,351                          | \$1,281,311                    |
| Mid-America               | \$473,077                                    | \$403,666                        | \$5,562          | \$2,317                       | \$50,364         | \$233,492                          | \$1,168,478                    |
| MidAtlantic <sup>32</sup> | \$420,778                                    | \$608,342                        | \$25,391         | \$32,316                      | \$169,544        | \$0                                | \$1,256,371                    |
| Midwest <sup>33</sup>     | \$590,870                                    | \$841,226                        | \$4,255          | \$9,753                       | \$133,148        | \$0                                | \$1,579,252                    |
| New England <sup>34</sup> | \$379,201                                    | \$1,095,227                      | \$8,812          | \$18,674                      | \$76,499         | \$0                                | \$1,578,413                    |
| New York State            | \$367,984                                    | \$308,564                        | \$1,712          | \$5,691                       | \$53,563         | \$75,420                           | \$812,934                      |
| Northwest <sup>35</sup>   | \$503,706                                    | \$549,688                        | \$13,874         | \$16,275                      | \$190,061        | \$0                                | \$1,273,604                    |
| Rocky Mountain            | \$619,967                                    | \$863,772                        | \$7,172          | \$2,064                       | \$62,866         | \$166,351                          | \$1,722,192                    |
| Southeastern              | \$637,177                                    | \$309,036                        | \$9,005          | \$4,248                       | \$0              | \$336,543                          | \$1,296,009                    |
| Southwest                 | \$395,218                                    | \$229,438                        | \$7,104          | \$3,175                       | \$10,967         | \$85,251                           | \$731,153                      |
| Western                   | \$389,704                                    | \$303,995                        | \$9,533          | \$4,212                       | \$10,938         | \$148,586                          | \$866,968                      |
| <b>Total</b>              | <b>\$5,278,237</b>                           | <b>\$5,963,980</b>               | <b>\$100,220</b> | <b>\$110,108</b>              | <b>\$781,146</b> | <b>\$1,332,994</b>                 | <b>\$13,566,685</b>            |

<sup>31</sup> Indirect Costs, referred to as facilities and administrative (F&A) costs, include space rent and utilities, telephone, postage, printing, and other administrative costs. University-affiliated TAACs have indirect cost rate agreements that cannot exceed the current rate negotiated with their cognizant Federal agency (non EDA/DOC). These costs are captured on the indirect cost line item on the Application for Federal Assistance, SF-424 (Form SF-424).

<sup>32</sup> Non-profit TAACs do not have indirect cost rate agreements as they do not receive other Federal funds; instead, they categorize similar expenditures in their "Other" line item of their Form SF-424.

<sup>33</sup> Ibid. Footnote 32.

<sup>34</sup> Ibid. Footnote 32.

<sup>35</sup> Ibid. Footnote 32.

**(19) The total amount expended by intermediary organizations to provide technical assistance to firms under the program nationally and in each region served by such an organization.**

In FY 2015, TAACs expended \$11 million in outreach and technical assistance to firms for the preparation of petitions, and the development and implementation of APs (often through business consultants and other experts). Funds are not provided directly to firms; instead, EDA funds the TAACs, and TAACs use the funds to provide the cost-shared proportion of the cost to secure specialized business consultants.

*Exhibit 30: Summary of Expenditures - Technical Assistance to Firms by TAAC: FY 2015*

| <b>TAAC</b>    | <b>TAAC Expenditure - Outreach</b> | <b>TAAC Expenditures - Petitions</b> | <b>TAAC Expenditures - APs</b> | <b>Total TAAC Expenditures</b> |
|----------------|------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| Great Lakes    | \$256,724                          | \$358,993                            | \$451,026                      | \$1,066,743                    |
| Mid-America    | \$19,337                           | \$161,210                            | \$482,165                      | \$662,712                      |
| MidAtlantic    | \$110,317                          | \$756,109                            | \$205,522                      | \$1,071,948                    |
| Midwest        | \$81,021                           | \$253,970                            | \$841,226                      | \$1,176,217                    |
| New England    | \$29,396                           | \$188,529                            | \$1,096,714                    | \$1,314,639                    |
| New York State | \$20,825                           | \$157,766                            | \$314,564                      | \$493,155                      |
| Northwest      | \$94,893                           | \$569,920                            | \$549,688                      | \$1,214,501                    |
| Rocky Mountain | \$59,733                           | \$521,832                            | \$863,772                      | \$1,445,337                    |
| Southeastern   | \$168,054                          | \$348,934                            | \$308,855                      | \$825,843                      |
| Southwest      | \$63,148                           | \$123,078                            | \$229,787                      | \$416,013                      |
| Western        | \$163,835                          | \$232,765                            | \$455,273                      | \$851,873                      |
| <b>Total</b>   | <b>\$1,067,283</b>                 | <b>\$3,673,106</b>                   | <b>\$5,798,592</b>             | <b>\$10,538,981</b>            |



“And we, in both government and business, must choose a path forward that keeps our manufacturers a step ahead, keeps our economy globally competitive, and keeps America open for business.”<sup>36</sup> – U.S. Secretary of Commerce Penny Pritzker

## Conclusion

EDA’s TAAF program produces strong results:

- One year after completing the program, firms participating in the TAAF program reported that average sales had increased by 20.8 percent, average productivity had increased by 18.1 percent, and average employment had increased by 2.3 percent from the prior year. By comparison, the U.S. Bureau of the Census Annual Survey of Manufacturers (Census) reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 1.2 percent and an average productivity decrease of .09 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment increase of 1.3 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.
- These same firms reported that from the time of *petition certification* to one year after completing the program (a period of six years, on average<sup>37</sup>), sales increased by 42.6 percent, productivity increased by 28 percent, and employment increased by 11.4 percent. By comparison, Census reported that, during the same time period, the national manufacturing industry in aggregate experienced an average sales increase of 10 percent and an average productivity increase of 25 percent, while the U.S. Bureau of Labor Statistics (BLS) reported an average employment *decrease* of 12 percent. Therefore, TAAF-assisted firms performed better in all three measures than the manufacturing industry as a whole during this time period.
- Furthermore, all TAAF-assisted firms that completed the program in FY 2013 were in operation at the end of FY 2015, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

The recently completed TAAF funding competition is expected to lead to improved efficiency and effectiveness of the TAAF program through enhanced program performance measurement, decreased program administrative costs, closer alignment of geographic service areas of TAACs with the service areas of EDA’s six regional offices, and a more equitable distribution of services across all U.S. States and territories.

Perhaps most importantly, the terms and conditions of the new grant awards resulting from the competition require selected TAACs to better coordinate with EDA Regional Offices and complementary Federal programs that provide, or could provide, comprehensive assistance to import-impacted firms and communities in order to maximize the impact of Federal dollars and avoid duplicative efforts. Examples of such Federal programs include, but are not limited to, the

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<sup>36</sup> U.S. Secretary of Commerce Penny Pritzker’s speech describing her vision of a path forward for innovation in U.S. manufacturing at the American Energy and Manufacturing Competitiveness Summit, hosted by the U.S. Department of Energy and the Council on Competitiveness, September 16, 2015.

<sup>37</sup> Ibid. Footnote 9.

National Institute of Standards and Technology's Hollings Manufacturing Extension Partnership (MEP) Centers, the U.S. Department of Labor (DOL) Trade Adjustment Assistance for Workers program, U.S. Export Assistance Centers, Regional DOL Employment and Training Administration (ETA) offices, Workforce Investment Boards, and relevant private industry groups.

## *Supplement*

### **Examples of TAAF Program Benefits to Manufacturing Firms**

As can be seen in the examples provided, the TAAF service model enables long-term engagements, delivers comprehensive assistance, provides great flexibility in the nature, timing, and staffing of business improvement projects, and can be agile and responsive, leveraging opportunities and modifying priorities. TAACs work with firms with an understanding of their unique circumstances integrated into and supporting their competitive strengths, not just trying to remedy their internal weaknesses. All of these qualities drive the program's effectiveness in successfully assisting small distressed firms.

#### **Great Lakes Trade Adjustment Assistance Center (GLTAAC)**

A contract manufacturer of cable assemblies in Ohio had long been losing business to low-cost imports, when its largest customer abruptly replaced \$5 million of purchases from them with Chinese products. This led to an almost 20 percent drop in sales at the firm, which in turn forced layoffs that reduced the workforce to just over 100. The firm completed nine TAAF projects. These included multiple Lean Manufacturing and Lean Six Sigma initiatives. The firm also used the program to implement worker training and quality system projects, as well as to prepare itself for International Traffic in Arms Regulations (ITAR) certification. Results have been impressive. Sales and employment have more than doubled since starting TAAF, and the firm has significantly increased its high-margin business.

A Michigan manufacturer of custom packaging was increasingly finding itself on the losing end of competitions with manufacturers from China, Mexico, and Canada. To win back business, the company needed to improve productivity so that it could reduce its costs and pricing. It also needed to increase efficiencies throughout the business to support these efforts and to improve customer service. The firm used TAAF funds to complete three projects over the next five years to address these issues. This company completed the program in FY15. Its competitiveness is greatly improved, and the firm is growing again. The firm even recently won a regional Exporter of the Year award. It currently employs 112 workers and generates annual sales of \$17 million.

#### **Mid-America Trade Adjustment Assistance Center (MamTAAC)**

A cellular tower manufacturer in Missouri has been receiving assistance from MamTAAC since June 2013 to improve training, marketing, and advertising. The Company's fortunes had soared building cellular towers during the tech boom of the early millennium, but they nosedived when wireless communications companies halted construction after 9/11. As the result of TAAF assistance and other measures, the vice president reports that the Company is having a record year in sales and profit, adding 20 new employees in about a year, bringing the total to about 50. The business revenues were \$6.8 million when entering the TAAF program. Two years into the program, sales have already increased to \$8.5 million.

A Missouri manufacturer of awnings, canopies, tension structures, and exhibit components established in 1941 started using the services of MamTAAC in May 2011. This business used TAAF funds to implement 19 projects to improve their company in the following areas: extensively trained personnel on a new phone technology that integrates their phone system with their computers, upgraded training for new programs on their CNC router table, provided monthly leadership training for their newly appointed Operation Manager (first time position in their

company), and contracted with a facilitator that provides guidance to the company's Strategic Planning Team. As a result, this business was able to more than double their revenue from \$5 million to \$10.7 million and increase employment from 40 to 64 from the time of entering to the time of completing the TAAF program.

#### **MidAtlantic Trade Adjustment Assistance Center (MATAAC)**

A Pennsylvania firm was in its third year of decline when it entered into TAAF through MATAAC. The company manufactures precision plastic parts for the electronics, automotive, medical device, and defense industries. When growing imports caused sales to drop 20 percent, more than 18 percent of the workforce had to be let go. With TAAF assistance, the firm implemented a dozen projects covering: strategic planning, marketing, and a variety of manufacturing systems training. As a result, sales are up 151 percent, employment has increased 58 percent, earnings have grown 43 percent, and productivity has improved 59 percent.

A New Jersey maker of orthopedic, prosthetic and surgical medical devices entered TAAF two years into its decline because of imports. At the time the firm entered the program, sales had dropped 19 percent, profits were off by 47 percent, and productivity had declined 4 percent. With MATAAC's assistance, the company implemented 20 projects addressing: ISO registration, product engineering/design, marketing strategy, information technology, and website development. As a result, sales are up more than 20 percent, earnings have improved 81 percent, and productivity has grown 83 percent.

#### **Midwest Trade Adjustment Assistance Center (MWTAAC)**

A 125-year-old Illinois custom food concession and food processing manufacturer was having product designs copied and sold at half the cost by firms located in Asia. Multi-year year sales for the firm diminished considerably, and the company was forced to reduce its skilled production workers as a result. The MWTAAC assisted the firm with technical assistance focusing on new product development including design, engineering, testing, and electronic standards certification. Once new products were developed, TAAF assistance was used to successfully brand and market the products in both domestic and export markets. Further enhancements involving real-time data management and integrating production with a Customer Relationship Management system allowed the firm to capitalize on the innovation. The results were an \$18 million increase in annual sales and a 65 percent increase in total workers from the company's entrance into the program.

A Minnesota-based manufacturer of basic commercial and residential electrostatic air filters had been producing these types of products for over 40 years. Producing this product involved low-complexity manufacturing operations, and as a result, the company's entire catalog was easily copied and sold for nearly half the cost by competitors based in China. Sales had declined by 15 percent, and the company had laid off nearly six percent of skilled production workers prior to entry into TAAF. The MWTAAC provided technical assistance which allowed the firm to retire existing products that were being copied and replace them with innovative, high-tech products which were market-specific. Once the product-line was upgraded, the program provided assistance with marketing and translation projects in order to expand exports. Production was also improved incorporating lean manufacturing methods, systems, and training in order to reduce production costs. Lastly, the company used TAAF assistance to enter the expanding environmental market with its basic yet efficient air filters by meeting European standards for production that Chinese competitors were not able to copy. The firm experienced a 30 percent increase in sales, and employment has remained stable.

### **New England Trade Adjustment Assistance Center (NETAAC)**

A Maine manufacturer of acoustic guitars expanded from two models to six models that helped sales grow to a peak of \$1.1 million in 2007. They began seeing a combination of the global recession and increasing low-priced foreign competition that had caused a decline in sales to approximately \$850,000 in 2010, when the firm reached out to NETAAC for assistance. Since entering the TAAF program, sales have increased from \$850,000 to \$1.7 million, and new customers have been sold to in eight new states domestically plus Singapore, Thailand, Taiwan, China, and countries in Europe. Exports account for 30 percent of their production at this time, up dramatically from under 20 percent (and 20 percent of approximately half of their current sales volume). The company employed ten workers upon entering the program, and they now have 14 workers, including several key new hires in digital marketing.

A New Hampshire manufacturer of low-tolerance, precision metal panels, primarily from steel and aluminum, produces customer specific products. The firm struggled from import competition primarily from China, which has a marked advantage due to low labor rates, and to a lesser degree from Mexico. The firm reached out to NETAAC for assistance in 2010 with sales at \$2.3 million. Since entering the TAAF Program, sales have increased to \$3.1 million. The firm worked with a financial consultant, who spent many hours formulating their financial structure and explaining the importance of ratios and milestones to make the firm financially secure, as well as negotiation and restructuring of current loans. They created a marketing plan, and of 20 current accounts, 14 accounts are new since entering the TAAF program and represent 65 percent of the revenue.

### **New York State Trade Adjustment Assistance Center (NYSTAAC)<sup>38</sup>**

One client firm is a privately held, woman owned and operated furniture manufacturer located in upstate New York. The firm custom designs “one office at a time” as a shift away from the large imports that focus on big project based orders. However, imports have had a significant effect on the US furniture market. Two years prior to certification, the firm had 29 employees who produced annual sales of \$2.2 million. At certification, the competition from imports had caused a decline in sales to an annual figure of \$1.9 million and employment had shrunk to 23. The NYSTAAC in FY 2015 helped implement two very important projects for the client firm to bring about improvements to the facility and the production area. This focus on production efficiencies has had very positive result for the firm. Annual sales have increased since certification by nearly 50 percent to \$2.9 million, and employment has increased to 34 to keep up with increased sales. Sales are increasing at a faster rate than employment due to the effects of more efficient manufacturing.

Another woman-owned corporation, located on Long Island, New York, has over 20 years of experience in manufacturing high quality miniature fasteners. For years, the firm has been suffering from the adverse effects of foreign competition from China. The combination of foreign imports and a less than robust economy led to sharp declines in sales and employment. Two years prior to certification, the firm recorded annual sales of \$2.6 million and employed 15 individuals. At certification, sales had decreased to \$1.9 million, while employment dropped to 12. The NYSTAAC and the client firm agreed that it was in the best interest of the firm to seek International Organization for Standardization certification, because many of the firm’s potential customers were requiring this in order to do business with suppliers. Annual sales have now

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<sup>38</sup> Effective May 1, 2016, the name of the NYSTAAC changed to the Trade Adjustment Assistance Center Serving the States of New York, New Jersey and the Commonwealth of Puerto Rico.

increased to \$4.4 million and total employment has grown to 25 workers. These represent a 132 percent growth in sales and over a 100 percent increase in employment.

#### **Northwest Trade Adjustment Assistance Center (NWTAAAC)**

An Alaskan producer of high quality, wild Alaskan salmon, halibut, rockfish, and cod, and other fish products in many forms and varieties for both wholesale and retail markets which has been operating for 34 years faced competition from fresh farmed salmon produced by Canada, Norway and Chile. Additionally, imports of wild caught Alaskan salmon from Chinese, Korean, or Thai processors were increasing. TAAF assistance in the areas of marketing and promotion to build name recognition and targeting markets willing to pay for the superior quality of the product had dramatic results. Sales have increased by 375 percent, and employment has increased by 360 percent. The client states the company is now fully realizing the benefits of the projects they completed with the funding.

A Montana firm consisting of a lumber mill and a structural glued lumber plant is the largest private employer in the area and had been facing increasing softwood lumber imports from Canada for some years. The firm implemented a retrenchment strategy, reducing their operating scenario to keep losses at a minimum while retaining critical employees and core customers. Increased efficiency, both with their premium products and by-products, was achieved through several TAAF funded projects. Information systems upgrades provided for increased efficiency in internal operations and tracking, and two projects focused on plant engineering and efficiency programs resulted in improved job flow and hard dollar savings in plant operations and production. Sales have increased by 51 percent.

#### **Rocky Mountain Trade Adjustment Assistance Center (RMTAAAC)**

A North Dakota manufacturer of specialized agricultural equipment faced increasing foreign competition when it entered the TAAF program in 2014. The firm benefited from TAAF technical assistance to generate significant improvements in its marketing communications. Since entering the TAAF program, the firm has returned to growth, with the marketing investments helping it achieve sales growth of 35 percent, with a similar increase in the level of employment. The investments in marketing have helped the company smooth the ups and downs of the agricultural market by enabling it to pivot its production facility into related fabricated metal products.

An innovative Utah manufacturing firm produces a full line of residential safes, including home, gun, office, and commercial safes. Faced with intense foreign competition, primarily from China, this Utah area manufacturer entered the TAAF program determined to reduce operating costs, eliminate waste, and increase sales to improve productivity and profitability. The firm was awarded TAAF funding to implement strategic Lean Manufacturing projects and Kaizen events focused on improving operating efficiency. The firm also committed to numerous training events, resulting in a reduction in operating costs that actually improved their bottom line. This firm has benefited significantly from the TAAF program. Since entering the TAAF program, sales at the company are up more than 50 percent, and the company's employment has doubled to nearly 500 employees.

### **Southeastern Trade Adjustment Assistance Center (SETAAC)**

A North Carolina metal fabrication and assembly facility turned to SETAAC for assistance when it first started experiencing increased import competition in 2013. After entering the TAAF program, the firm began working with several consultants in the areas of management, operations, and marketing. When the firm first applied for assistance in 2013, it employed ten people, and sales hovered at approximately \$1.2 million. In three years, and after spending \$75,000 of Federal funding on cost-share technical assistance, the firm has added 13 full-time employees and sales have increased to just over \$2.5 million.

In 2010, a Georgia manufacturer of solid wood counter tops and vanities faced stiff competition from foreign imports and from European manufacturers from raw materials. The firm called on SETAAC for assistance; together, the firm and SETAAC determined that the company's marketing efforts had fallen out of step with the times in reaching customers who had shifted from buying new homes to remodeling their current ones. The firm received \$75,000 in cost-share technical assistance from SETAAC, and was able to make much needed modifications to its website, update its sales and marketing literature, engage in new product design, and hire a marketing consultant. The firm completed its work with SETAAC in 2016 and realized an increase in annual sales of over \$250,000, with employment holding constant at 20.

### **Southwest Trade Adjustment Assistance Center (SWTAAC)**

A Texas manufacturer, founded in 1985, produces premium grade modified bitumen membrane and other high performance roofing materials. The top importer into the United States is Canada, with 54 percent of international imports followed by Italy and Japan. The SWTAAC's analysis diagnosed the manufacturer as needing assistance in its marketing and support systems areas. The company has completed several projects that have positively impacted the firm's business, including updating its website. Its website is now user friendly and more appealing to clients, which has increased its customer base. The firm has also used TAA funds for product testing certifications, which have allowed the firm to generate new revenue streams, specifically penetrating the lucrative Florida roofing market, due to its seasonal hurricane season. The firm's sales were \$21.7 million in 2014 compared to \$24.7 million at the date of certification. Their employee count is 40 compared to 41 at the date of certification.

A New Orleans, Louisiana, producer of fully cooked, ready to serve food entrees for institutional use offers various foods in Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, Tennessee, and their home state of Louisiana. When certified in 2012, the firm was being negatively impacted by imports from Canada, Mexico and Japan. The SWTAAC's analysis diagnosed the firm as needing assistance in the areas of marketing and sales methodology and support systems. The projects funded by TAAF were designed to improve its production and optimize the firm's operational efficiencies. This Louisiana food producer has completed all its outlined projects, and through the process, it discovered some of its foods were Gluten Free, something it was previously unaware of. The firm immediately started a marketing/promotional campaign for a new product line for "Gluten Free" foods, which now generates 5% of their total sales. Also, by implementing the new marketing campaign for the Gluten Free products, it caught the attention of Costco, the big box retailer. Currently, the firm is in preliminary discussions with Costco about its products and capacities. The firm's sales were \$1.6 million in 2014 compared to \$1 million at the date of certification. Their employee count is eight versus seven employees at certification.

### **Western Trade Adjustment Assistance Center (WTAAC)**

A recent California program graduate and plastic injection mold manufacturer who specializes in quality precision plastic parts production and turnkey manufacturing solutions turned to the TAAF program for technical assistance. The company is a full service contract manufacturer equipped to support prototype, pre-production and plastic production component orders. During the two years prior to certification, the company suffered reduced annual sales in key product lines due to increasing foreign competition. Annual sales in those product lines decreased 6 percent to \$8.7 million in 2007, with employment decreasing 10 percent to 85 during this period. The firm implemented the following projects to become competitive: marketing with website upgrades, information technology production software training for staff and quality management training to ensure compliance was being met for its customers. As a result of the TAAF's technical assistance, sales increased 92 percent to \$16.6 million, employment increased 53 percent to 130 employees, and productivity improved 25 percent to \$128,238 sales per employee.

A California company specializing in the design and manufacture of packaging supplies suffered from continued shrinking market share due to increasing low cost foreign competition, primarily from China. As a result, 2007 sales decreased 17 percent, and employment decreased 14 percent from 2005. The company became certified as trade impacted in 2007. The company's management, with technical assistance from the TAAF program, developed a strategy to improve efficiency, increase productivity, and develop and brand a sustainable, green packaging initiative to keep current with increasing customer demand. The company is in its post-implementation phase of the TAAF program, and it has successfully implemented eight projects totaling \$49,600 in matching TAAF funds. They include: four information technology projects, two quality management system development projects, one general management project, and one marketing project. Since beginning its partnership with the TAAF program, sales increased 22 percent to \$17 million, employment increased by 63 percent to 68, and 18 new jobs were created.