

REPORT TO CONGRESS on the  
TRADE ADJUSTMENT ASSISTANCE FOR FIRMS  
PROGRAM  
Fiscal Year 2009 Annual Report

ECONOMIC DEVELOPMENT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE  
December 15, 2009



## Executive Summary

The Secretary of Commerce is directed by Section 1866 of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA), which became effective May 17, 2009, to submit to Congress a report on the Trade Adjustment Assistance for Firms (TAAF) Program by the 15<sup>th</sup> of December each year. The TAAF Program is one of four Trade Adjustment Assistance (TAA) Programs authorized by the Trade Act of 1974 (19 U.S.C. § 2341 *et seq.*) (Trade Act). The mission of the TAA for Firms Program is to provide technical and financial assistance to U.S. firms affected by import competition. The program provides assistance in the development of business recovery plans, which are known as Adjustment Proposals under Section 252 of the Trade Act, and matching funds to implement projects outlined in the Adjustment Proposals. The TAAF Program supports a national network of 11 Trade Adjustment Assistance Centers (TAACs) to help U.S. firms apply for assistance and prepare and implement strategies to guide their economic recovery.

Overall, there has been an increase in the demand for the TAAF Program in fiscal year 2009, as demonstrated by the increase in the number of petitions for certification and Adjustment Proposals submitted to EDA for approval.

<b>Fiscal Year</b>	<b>Petitions Received</b>	<b>Petitions Accepted for filing</b>	<b>Petitions Certified</b>	<b>Petitions Denied</b>	<b>Avg. Days Between Submission and Acceptance for Filing</b>	<b>Avg. Days Between Acceptance and Certification</b>
<b>2009</b>	281	247	212	1	28	45
<b>2008</b>	188	190 <sup>1</sup>	183	0	11	45
<b>Change</b>	49%	30%	16%	NA	155%	NA

Because of the spike in petitions and Adjustment Proposals, the Economic Development Administration Agency (EDA) experienced challenges in meeting the 40-day processing deadline for petitions accepted for filing immediately after the new legislation was enacted. Beginning in the fourth quarter of FY 2009, the average processing time for petitions has started to decline below the 40-day requirement. Additional TAAF staff resources are expected to help improve the processing time even further for FY 2010.

TAACs effectively reached small and medium-sized firms in FY 2009. The average employment, net sales, and productivity of firms certified in FY 2009 declined in comparison to the previous fiscal year. Sixty-five percent of all firms proposed to implement a marketing/sales project or production/engineering project in their Adjustment Proposals, and 35 percent of all firms proposed support systems or management/financial projects.

---

<sup>1</sup> Two of the petitions accepted for filing in FY 2008 were received by EDA in FY 2007.

<b>FY</b>	<b>Avg. Employment at Certification</b>	<b>Avg. Annual Net Sales at Certification</b>	<b>Avg. Productivity at Certification (Net Sales Per Employee)</b>
2009	77	\$10,715,785	\$128,729
2008	82	\$13,081,993	\$149,565
%Change	(6%)	(18%)	(14%)

The following table illustrates that in FY 2009 EDA approved an additional 33 Adjustment Proposals as compared to FY 2008 and proposed to spend an additional total of \$2.4 million in government funds.

<b>Approved TAAF Adjustment Proposals</b>							
	<b>FY2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Number of Business Recovery Plans Approved	162	177	132	137	126	139	172
Total Government Share (millions)	\$8.1	\$8.5	\$5.9	\$6.7	\$7.1	\$7.9	\$10.3
Total Firm Share (millions)	\$7.4	\$8.1	\$5.4	\$6.0	\$5.9	\$7.5	\$9.8
Total Projected Costs (millions)	\$15.5	\$16.6	\$11.3	\$12.7	\$13.0	\$15.4	\$20.2
Avg. Government Assistance Per Firm	\$50,000	\$48,023	\$44,697	\$48,905	\$56,449	\$56,827	\$60,123

The TGAAA identifies 14 measures that should be covered by this report. EDA currently is unable to provide any information on four measures: (1) the number of firms that inquired about the program, (2) the number of petitions certified by congressional district, (3) the number of firms leaving the program and why, and (4) sales, employment, and productivity at each firm upon completion of the program and every year for the two years thereafter. EDA is taking steps to collect and report on all of the missing measures for the FY 2010 Annual Report.

## Table of Contents

<b>Introduction</b> .....	1
<b>Program Initiative</b> .....	2
<b>Program Description</b> .....	3
<b>Data for This Report</b> .....	5
<b>Results/Findings</b> .....	5
(1) The number of firms that inquired about the program.....	5
(2) The number of petitions filed under section 251. ....	5
(3) The number of petitions certified and denied. ....	5
(4) The average time for processing petitions. ....	5
(5) The number of petitions filed and firms certified for each congressional district of the United States.....	8
(6) The number of firms that received assistance in preparing their petitions. ....	8
(7) Sales, employment, and productivity at each firm participating in the program at the time of certification. ....	9
(8) The number of firms that received assistance developing business recovery plans (Adjustment Proposals). ....	18
(9) The number of Adjustment Proposals approved and denied by the Secretary of Commerce.....	18
(10) The financial assistance received by each firm.....	19
(11) The financial contribution made by each firm.....	19
(12) The types of technical assistance included in the Adjustment Proposals of firms participating in the program. ....	20
(13) The number of firms leaving the program before completing the project or projects in their Adjustment Proposals and the reason the project was not completed.....	22
(14) Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion. ....	22
<b>Discussion and Analysis</b> .....	22
<b>Conclusion</b> .....	30

## Introduction

This report is provided in compliance with Section 1866 of the Trade and Globalization Adjustment Assistance Act of 2009 (Pub. L. No. 111-5, 123 Stat. 115, at 367) (TGAAA). This section directs the Secretary of Commerce to provide an annual report on the Trade Adjustment Assistance for Firms (TAAF) program by the 15<sup>th</sup> of December each year. Section 1866 of the TGAAA states:

IN GENERAL.—Not later than December 15, 2009, and each year thereafter, the Secretary of Commerce shall prepare a report containing data regarding the trade adjustment assistance for firms program provided for in chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) for the preceding fiscal year.

This report will provide findings and results to the extent that the data is available on the following 14 measures:

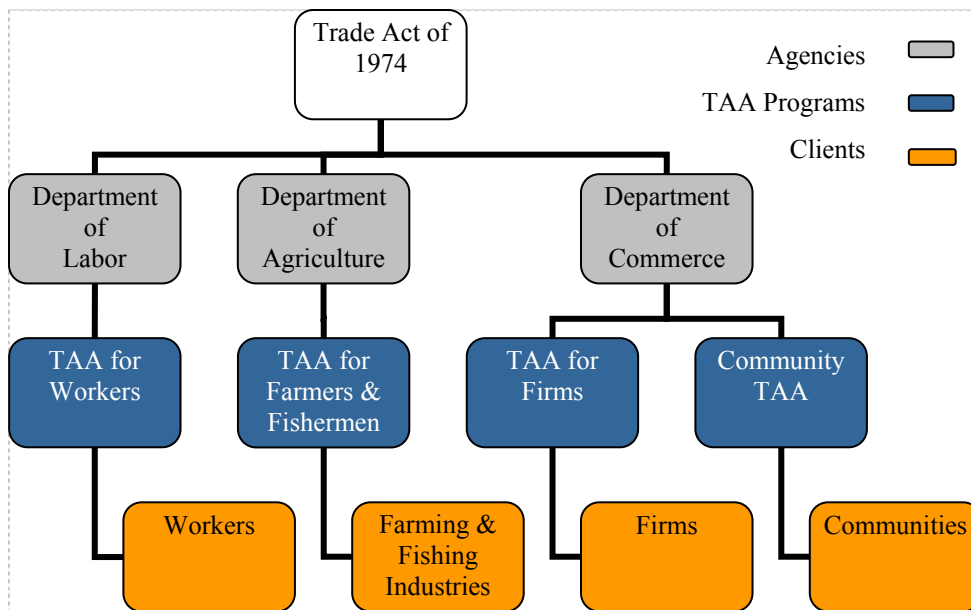
1. The number of firms that inquired about the program.
2. The number of petitions filed under section 251.
3. The number of petitions certified and denied.
4. The average time for processing petitions.
5. The number of petitions filed and firms certified for each congressional district of the United States.
6. The number of firms that received assistance in preparing their petitions.
7. The number of firms that received assistance developing business recovery plans (Adjustment Proposals).
8. The number of Adjustment Proposals approved and denied by the Secretary of Commerce.
9. Sales, employment, and productivity at each firm participating in the program at the time of certification.
10. Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion.
11. The financial assistance received by each firm participating in the program.
12. The financial contribution made by each firm participating in the program.
13. The types of technical assistance included in the Adjustment Proposals of firms participating in the program.
14. The number of firms leaving the program before completing the project or projects in their Adjustment Proposals and the reason the project was not completed.

The TAAF program is one of four Trade Adjustment Assistance (TAA) programs authorized under the Trade Act of 1974 (19 U.S.C. § 2341 *et seq.*) (Trade Act). The responsibility for administering the TAA for Firms program is delegated by the Secretary of Commerce to the Economic Development Administration (EDA). EDA, through a national network of 11 Trade Adjustment Assistance Centers (TAACs), provides

technical assistance on a cost-shared basis to U.S. manufacturing, production, and service firms in all fifty states, the District of Columbia, and the Commonwealth of Puerto Rico.

The other TAA programs are TAA for Workers, Farmers, and Communities, which are administered by the Departments of Labor, Agriculture, and Commerce through EDA, respectively.

### Exhibit 1: TAA Programs



The TAAF Program is relatively small. Between FY 2000 and FY 2009, its appropriations have ranged from \$10.5 million to \$15.8 million.

### Program Initiative

The mission of the program is to provide technical and financial assistance to U.S. firms affected by import competition. The program provides assistance in the development of business recovery plans, which are known as Adjustment Proposals under Section 252 of the Trade Act, and matching funds to implement projects outlined in Adjustment Proposals.

The program's premise is that some U.S. firms, in particular small businesses, lack the internal capabilities or resources necessary to effectively respond to new import competition. The Trade Adjustment Assistance Centers' goal is to help U.S. firms increase profitability and retain employees while competing successfully in the global economy.

## Program Description

The TAAF Program supports a national network of 11 Trade Adjustment Assistance Centers (TAAC) to help U.S. firms apply for assistance and prepare and implement strategies to guide their economic recovery. Information about the TAACs may be found at [www.taacenters.org](http://www.taacenters.org). The current TAACs and the states they serve are listed in the table below. Please note that currently Puerto Rico has not been assigned to any particular TAAC. Firms in Puerto Rico receive assistance from the TAAC that received the inquiry.

### Exhibit 2: TAACs and their Respective Service Areas

TAAC	States Served
Great Lakes	Indiana, Michigan, and Ohio
Mid-America	Arkansas, Kansas, and Missouri
Mid-Atlantic	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia
Midwest	Illinois, Iowa, Minnesota, and Wisconsin
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
New York State	New York
Northwestern	Alaska, Idaho, Montana, Oregon, and Washington
Rocky Mountain	Colorado, Nebraska, New Mexico, North Dakota, South Dakota, Utah, and Wyoming
Southeastern	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
Southwest	Louisiana, Oklahoma, and Texas
Western	California, Hawaii, and Nevada

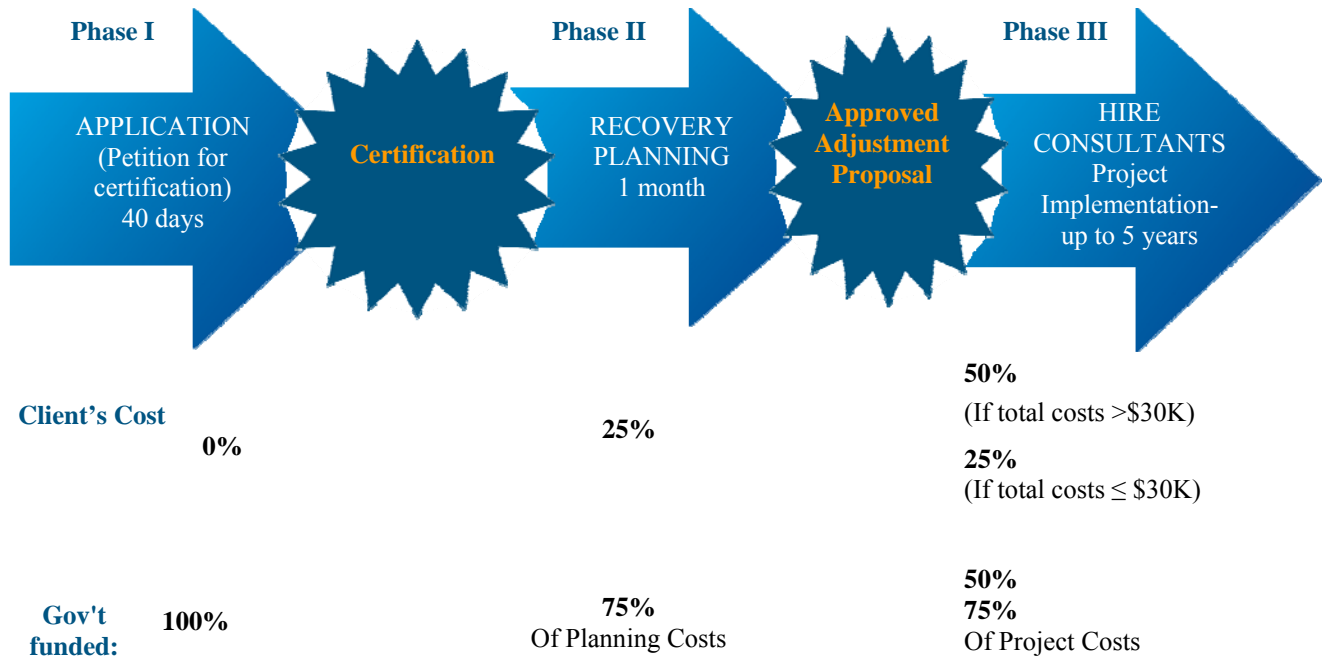
The TAACs' main responsibilities are:

- Assisting firms in preparing their petitions for TAAF. Firms are not charged for any assistance related to preparing a petition.
- Once a petition has been approved, TAACs work closely with company management to identify the firm's strengths and weaknesses, and develop a customized Adjustment Proposal designed to stimulate recovery and growth. The program pays up to 75% of the cost of developing an Adjustment Proposal and the firm must pay the rest. EDA must approve all Adjustment Proposals to ensure they conform to statutory and regulatory requirements.
- After an Adjustment Proposal has been approved, company management and TAAC staff jointly identify consultants with the specific expertise required to assist the firm. The program pays up to \$75,000 in matching funds for the cost of these consultants when implementing the Adjustment Proposal. After a competitive procurement

process, the TAAC and the firm generally contract with private consultants to implement the adjustment plan.

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

**Exhibit 3: TAA for Firms Program Phases**



The first step to receiving assistance is the submission of a petition to EDA to be certified as a trade impacted firm. This petition is Form ED-840P “Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance” and any supporting documentation. Although a firm may complete a petition and submit it to EDA on its own, certification specialists within the TAACs generally work with the firm at no cost to complete and submit a petition to EDA. Once a petition has been accepted, EDA is required to make a final determination on a petition within 40 days.<sup>2</sup>

Certified firms may then submit an Adjustment Proposal for EDA’s approval. It generally takes EDA between two weeks to one month to make a final determination on an Adjustment Proposal, depending on the workflow.

The firm works with consultants to implement projects in an approved Adjustment Proposal. 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

<sup>2</sup> As of May 17, 2009, the deadline for making a final determination is 40 days. Before May 17, 2009, EDA had 60 days to make a determination.

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 Adjustment Proposal's approval to implement it, unless they receive approval for an extension. Generally, firms complete the implementation of their Adjustment Proposals over a two-year period.

### **Data for This Report**

Most of the data used in this report were collected from the petitions for certification and the Adjustment Proposals submitted by the TAACs on behalf of firms. Data from these sources were recorded into a central database by Eligibility Reviewers at EDA. Results for average processing times and the number of approved and denied petitions and Adjustment Proposal were derived by EDA.

All of the data available for Fiscal Years (FY) 2009 and 2008 were used for this report. One weakness to the data sets used is that a few records were incomplete. EDA has identified data collection deficiencies and plans to train EDA and TAAC staff in order to eliminate, to the extent possible, problems that result in incomplete records.

The performance measures in this report were evaluated by looking at quarterly trends and comparing results for FY 2009 and FY 2008. In addition, characteristics of the petitioning and certified firms were aggregated and reported as averages to provide a general profile for these firms.

### **Results/Findings**

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

Because of the decentralized nature of the TAAF Program, EDA currently does not collect reliable information on the number of firms that inquire about the TAA program. EDA is working with the TAACs to collect this data and will include this measure in the revised quarterly report submitted by the TAACs to EDA. EDA is expecting to start collecting this data by the end of December 2009.

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

#### ***(3) The number of petitions certified and denied.***

#### ***(4) The average time for processing petitions.***

In FY 2009, there was a 49 percent increase in the number of petitions received by EDA, a 16 percent increase in the number of certified firms, and on average the total petition processing time increased by 17 calendar days, which period is defined as the period between actual submission of a petition by the TAAC and final determination, that is certification or rejection, by EDA.

After accepting a petition for filing, EDA has 40 calendar days to make a final determination. In order to avoid having to reject many of the petitions, EDA does not consider a petition accepted until all the necessary information is collected. When

considering the duration between the time of submission and when a final determination is made, the processing time for petitions increased by 17 days in FY 2009 as compared to FY 2008. For the average petition, in both FY 2008 and FY 2009 it took 45 days to make a final determination after it had been accepted for filing under section 251 of the Trade Act.

#### Exhibit 4: Petitions for Certification FYs 2009 and 2008 Summary Comparison

<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</b>	<b>Avg. Days Between Submission and Acceptance for Filing</b>	<b>Avg. Days Between Acceptance and Certification</b>
<b>2009</b>	281	247	212	1	28	45
<b>2008</b>	188	190 <sup>3</sup>	183	0	11	45
<b>%Change</b>	49%	30%	16%	N/A	155%	N/A

#### Exhibit 5: Petitions for certification by state and TAAC

<b>FY 2009 Petitions for Certification</b>							
<b>TAAC</b>	<b>State</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</b>	<b>Avg. Days Between Submission and Acceptance</b>	<b>Avg. Days Between Acceptance and Certification</b>
<b>Great Lakes</b>	IN	7	7	7	0	<b>25</b>	<b>43</b>
	MI	13	11	10	0		
	OH	8	7	5	0		
	<b>Total</b>	<b>28</b>	<b>25</b>	<b>22</b>	<b>0</b>		
<b>Mid-America</b>	AR	2	2	2	0	<b>37</b>	<b>49</b>
	KS	3	2	2	0		
	MO	13	10	8	0		
	<b>Total</b>	<b>18</b>	<b>14</b>	<b>12</b>	<b>0</b>		
<b>Mid-Atlantic</b>	DC	0	0	0	0	<b>32</b>	<b>41</b>
	DE	0	0	0	0		
	MD	0	0	0	0		
	NJ	1	1	2 <sup>4</sup>	0		
	PA	22	18	16	0		
	VA	1	1	0	0		
	WV	0	0	0	0		
<b>Total</b>	<b>24</b>	<b>20</b>	<b>18</b>	<b>0</b>			
<b>Midwest</b>	IA	2	2	1	0	<b>26</b>	<b>47</b>

<sup>3</sup> Two of the petitions accepted for filing in FY 2008 were received by EDA in FY 2007.

<sup>4</sup> One of the petitions certified from FY 2009 was received by EDA in FY 2008.

FY 2009 Petitions for Certification							
TAAC	State	No. of Petitions Received	No. of Petitions Accepted for Filing	No. of Petitions Certified	No. of Petitions Denied	Avg. Days Between Submission and Acceptance	Avg. Days Between Acceptance and Certification
	IL	28	27	23	0		
	MN	8	7	6	0		
	WI	10	9	6	0		
	<b>Total</b>	<b>48</b>	<b>45</b>	<b>36</b>	<b>0</b>		
New England	CT	10	9	9	0	24	35
	MA	28	25	24	0		
	ME	2	1	1	0		
	NH	8	8	6	0		
	RI	8	8	7	0		
	VT	0	0	0	0		
	<b>Total</b>	<b>56</b>	<b>51</b>	<b>47</b>	<b>0</b>		
New York State	<b>NY Total</b>	<b>16</b>	<b>13</b>	<b>11</b>	<b>0</b>	<b>28</b>	<b>46</b>
Northwest	AK	1	0	0	0	33	31
	ID	0	0	0	0		
	MT	2	1	0	0		
	OR	5	6	5	0		
	WA	6	5	5	0		
	<b>Total</b>	<b>14</b>	<b>12</b>	<b>10</b>	<b>0</b>		
Rocky Mountain	CO	12	11	11	0	26	49
	ND	1	1	0	0		
	NE	0	0	0	0		
	NM	2	2	2	0		
	SD	0	0	0	0		
	UT	4	3	2	0		
	WY	0	0	0	0		
	<b>Total</b>	<b>19</b>	<b>17</b>	<b>15</b>	<b>0</b>		
Southeastern	AL	0	0	0	0	31	44
	FL	2	2	2	0		
	GA	4	4	3	0		
	KY	0	0	0	0		
	MS	0	1	0	0		
	NC	13	11	10	0		
	SC	0	0	0	0		

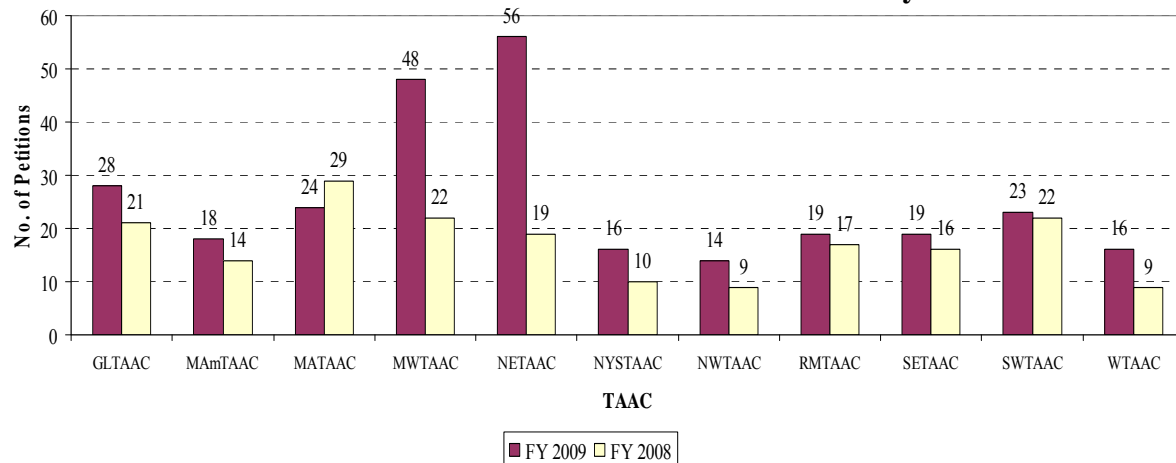
<b>FY 2009 Petitions for Certification</b>							
<b>TAAC</b>	<b>State</b>	<b>No. of Petitions Received</b>	<b>No. of Petitions Accepted for Filing</b>	<b>No. of Petitions Certified</b>	<b>No. of Petitions Denied</b>	<b>Avg. Days Between Submission and Acceptance</b>	<b>Avg. Days Between Acceptance and Certification</b>
	TN	0	0	0	0		
	<b>Total</b>	<b>19</b>	<b>18</b>	<b>15</b>	<b>0</b>		
	LA	2	1	1	0		
	OK	12	11	9	1		
	TX	9	8	7	0		
<b>Southwest</b>	<b>Total</b>	<b>23</b>	<b>20</b>	<b>17</b>	<b>1</b>	<b>31</b>	<b>44</b>
	AZ	1	1	0	0		
	CA	15	11	9	0		
	HI	0	0	0	0		
	NV	0	0	0	0		
<b>Western</b>	<b>Total</b>	<b>16</b>	<b>12</b>	<b>9</b>	<b>0</b>	<b>44</b>	<b>37</b>

*(5) The number of petitions filed and firms certified for each congressional district of the United States.*

EDA did not collect the number of petitions filed and certified by congressional district in FY 2009. EDA has revised Form ED-840P and is currently undergoing the required Paperwork Reduction Act (PRA) analysis. EDA has incorporated this measure into the revised Form ED-840P, which is currently being submitted to the Office of Management and Budget (OMB) for PRA clearance. In the interim, TAACs have been instructed to identify applicants' congressional districts in supporting documentation submitted with the petition.

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

Although EDA has not previously recorded whether a petitioning firm received assistance in preparing their petition, EDA understood that all firms who submitted petitions through TAACs received assistance from the respective TAAC. EDA has revised Form ED-840P to more accurately record whether firms receive assistance and from whom. Exhibit 6 shows the number of petitions submitted by each TAAC.

**Exhibit 6: Number of Petitions Submitted in FYs 2009 and 2008 by Each TAAC**

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

For those firms certified in FY 2009, average employment was six percent below that for firms certified in FY 2008. Average net sales were 18 percent below, and average productivity was 14 percent below. For the purposes of this report, productivity is defined as net sales per employee. 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 is simple and can be generally applied to all certified firms.

**Exhibit 7: Summary Comparison of Average Employment, Net Sales, and Productivity for Firms Certified in FYs 2009 and 2008**

<b>FY</b>	<b>Avg. Employment at Certification</b>	<b>Avg. Annual Net Sales at Certification</b>	<b>Avg. Productivity at Certification (Net Sales Per Employee)</b>
2009	77	\$10,715,785	\$128,729
2008	82	\$13,081,993	\$149,565
%Change	(6%)	(18%)	(14%)

**Exhibit 8: Average Employment, Net Sales, and Productivity for Firms Certified in FY 2009 Classified by State and TAAC**

<b>TAAC</b>	<b>State</b>	<b>Monthly Avg. Employment</b>	<b>Avg. Annual Net Sales</b>	<b>Avg. Productivity (Net Sales per Employee)</b>
<b>Great Lakes</b>	IN	60	\$6,563,817	\$90,814
	MI	88	\$13,511,133	\$169,359

	OH	121	\$21,163,407	\$163,563
	<b>Average</b>	<b>86</b>	<b>\$13,039,777</b>	<b>\$143,050</b>
<b>MidAmerica</b>	AR	23	\$2,462,000	\$106,279
	KS	114	\$7,847,500	\$69,224
	MO	159	\$5,786,387	\$94,504
	<b>Average</b>	<b>129</b>	<b>\$5,575,841</b>	<b>\$92,253</b>
<b>Mid-Atlantic</b>	DC	0	\$0	\$0
	DE	0	\$0	\$0
	MD	0	\$0	\$0
	NJ	53	\$6,195,713	\$115,674
	PA	77	\$9,535,754	\$125,789
	VA	0	\$0	\$0
	WV	0	\$0	\$0
	<b>Average</b>	<b>74</b>	<b>\$9,164,638</b>	<b>\$124,665</b>
<b>Midwest</b>	IA	29	\$1,365,689	\$47,093
	IL	66	\$11,027,769	\$153,625
	MN	85	\$9,328,702	\$121,189
	WI	249	\$33,110,952	\$158,130
	<b>Average</b>	<b>99</b>	<b>\$14,156,731</b>	<b>\$146,011</b>
<b>New England</b>	CT	54	\$8,008,737	\$116,324
	MA	39	\$6,070,712	\$146,199
	ME	8	\$405,912	\$49,501
	NH	47	\$5,468,664	\$121,973
	RI	79	\$6,903,936	\$164,784
	VT	0	\$0	\$0
	<b>Average</b>	<b>48</b>	<b>\$6,368,535</b>	<b>\$138,096</b>
<b>New York State</b>	<b>Average</b>	<b>73</b>	<b>\$9,339,480</b>	<b>\$108,707</b>
<b>Northwestern</b>	AK	0	\$0	\$0
	ID	0	\$0	\$0
	MT	0	\$0	\$0
	OR	189	\$3,229,683	\$61,458
	WA	11	\$1,500,700	\$103,599
	<b>Average</b>	<b>100</b>	<b>\$2,365,191</b>	<b>\$82,529</b>
<b>Rocky Mountain</b>	CO	97	\$34,035,214	\$140,439
	ND	0	\$0	\$0
	NE	0	\$0	\$0
	NM	74	\$4,408,313	\$64,871
	SD	0	\$0	\$0
	UT	80	\$11,181,050	\$150,881

	WY	0	\$0	\$0
	<b>Average</b>	<b>92</b>	<b>\$27,037,738</b>	<b>\$131,755</b>
<b>Southeastern</b>	AL	0	\$0	\$0
	FL	78	\$7,084,047	\$138,109
	GA	34	\$3,183,356	\$107,743
	KY	0	\$0	\$0
	MS	0	\$0	\$0
	NC	111	\$24,225,837	\$155,842
	SC	0	\$0	\$0
	TN	0	\$0	\$0
	<b>Average</b>	<b>91</b>	<b>\$17,731,769</b>	<b>\$143,858</b>
<b>Southwest</b>	LA	45	\$3,121,252	\$69,361
	OK	51	\$3,689,045	\$67,355
	TX	46	\$5,504,869	\$110,700
	<b>Average</b>	<b>48</b>	<b>\$4,403,338</b>	<b>\$85,321</b>
<b>Western</b>	AZ	0	\$0	\$0
	CA	51	\$7,904,808	\$143,021
	HI	0	\$0	\$0
	NV	0	\$0	\$0
	<b>Average</b>	<b>51</b>	<b>\$7,921,301</b>	<b>\$143,139</b>

**Exhibit 9<sup>5</sup>: Average Monthly Employment, Annual Net Sales, and Productivity at Each Firm Certified for the TAAF Program in FY 2009**

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
-2141167170	11	\$1,196,902	\$108,809
-2121444292	67	\$4,006,469	\$59,798
-2042247253	122	\$15,791,636	\$129,355
-2013118865	115	\$3,298,000	\$28,741
-1988436588	42	\$4,101,937	\$97,665
-1950117994	19	\$1,983,347	\$104,387
-1928548648	29	\$3,379,076	\$116,520
-1902999773	84	\$10,028,851	\$119,391
-1735872532	86	\$8,007,271	\$93,108
-1706525908	24	\$3,247,216	\$138,179
-1643182588	335	\$53,848,974	\$160,743
-1634468345	5	\$442,494	\$88,499
-1546967690	93	\$14,127,000	\$151,773

<sup>5</sup> As reported by the petitioning firm for the most recent year of the firm's petition period (can be between 6 and 12 months)

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
-1506878533	203	\$38,116,000	\$187,764
-1414666091	48	\$8,416,445	\$175,343
-1399657793	21	\$3,327,060	\$158,431
-1370436615	52	\$6,348,965	\$122,095
-1204293136	113	\$1,312,194	\$11,633
-1178629643	51	\$3,523,858	\$68,691
-1144864381	113	\$21,591,273	\$191,073
-1119666282	27	\$2,393,550	\$89,312
-1097381894	4	\$366,266	\$91,567
-1028400370	4	\$712,071	\$178,018
-976697335	45	\$3,575,314	\$79,451
-976135562	15	\$1,693,508	\$109,968
-889718167	53	\$10,400,385	\$195,606
-887612628	2	\$23,036	\$14,133
-879675653	158	\$16,095,224	\$101,656
-854603118	23	\$665,537	\$29,579
-764521341	27	\$4,282,608	\$161,608
-739225309	78	\$6,027,470	\$77,774
-721946507	8	\$405,912	\$49,501
-707088102	23	\$5,357,515	\$233,748
-701972844	95	\$12,076,738	\$127,567
-641759960	24	\$3,274,000	\$136,417
-632530935	10	\$112,451	\$11,245
-631287923	35	\$1,924,226	\$54,978
-627002970	21	\$2,442,947	\$119,168
-616871455	15	\$3,975,576	\$265,038
-594868995	85	\$8,341,277	\$98,133
-592625918	58	\$6,641,978	\$114,517
-554756768	93	\$32,349,000	\$347,540
-534793263	17	\$2,346,672	\$136,434
-510304974	218	\$23,152,444	\$106,409
-502336347	75	\$14,316,003	\$190,880
-477438887	31	\$4,527,483	\$146,048
-476833060	178	\$15,320,292	\$86,069
-441231945	174	\$16,688,000	\$95,770
-428234294	69	\$9,989,294	\$145,405
-404256669	80	\$7,044,108	\$87,777

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
-363836427	37	\$2,853,566	\$77,543
-360147020	61	\$807,976	\$13,246
-283996920	78	\$9,189,018	\$118,308
-48958339	122	\$43,293,680	\$354,866
23230469	284	\$59,905,827	\$210,625
65254696	20	\$2,463,879	\$124,753
114629866	20	\$2,074,822	\$104,789
137101191	15	\$318,347	\$21,223
176434616	101	\$12,903,834	\$128,141
246147845	26	\$1,935,948	\$74,460
280418639	9	\$3,207,749	\$341,250
526891792	39	\$3,514,280	\$90,110
540241037	87	\$9,939,297	\$114,905
587994808	98	\$17,905,792	\$182,712
631689182	35	\$2,995,661	\$85,590
639991136	17	\$2,949,494	\$173,500
674278170	13	\$836,017	\$65,570
675284787	11	\$2,494,392	\$220,743
675586291	223	\$19,226,471	\$86,217
712619105	6	\$405,088	\$67,515
717100183	7	\$717,780	\$106,338
726417873	38	\$6,404,000	\$167,425
744959677	344	\$42,310,370	\$122,995
775553880	17	\$1,020,236	\$60,014
819813906	33	\$8,930,078	\$274,772
838593384	58	\$950,292	\$16,384
915263089	4	\$346,908	\$86,727
945015730	739	\$111,833	\$151
962067466	24	\$3,227,083	\$135,024
989234254	6	\$358,000	\$61,407
1082975273	22	\$1,650,000	\$76,142
1211737402	99	\$10,494,800	\$106,115
1218148370	50	\$4,085,428	\$81,709
1220532373	174	\$25,421,539	\$146,101
1221594278	26	\$2,622,892	\$102,457
1221842461	28	\$3,202,408	\$113,039
1221849510	19	\$1,514,723	\$81,524

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
1222114933	91	\$408,844	\$4,493
1222703402	36	\$2,153,350	\$59,272
1222797758	20	\$1,985,109	\$99,255
1222976955	33	\$5,407,901	\$163,876
1224271418	49	\$7,677,627	\$156,686
1224872688	103	\$13,265,206	\$128,788
1225120776	28	\$4,903,000	\$175,107
1225133741	137	\$13,773,487	\$100,720
1225201275	326	\$50,549,619	\$155,060
1225287691	292	\$48,371,484	\$165,656
1225810350	12	\$749,609	\$62,467
1227042607	3	\$195,253	\$65,084
1227289294	113	\$12,397,000	\$109,708
1227543460	888	\$103,961	\$117
1227630320	53	\$6,328,130	\$119,399
1227877017	8	\$2,468,000	\$300,976
1228925679	1	\$172,826	\$216,033
1229617894	58	\$4,103,785	\$70,270
1229708794	47	\$6,561,310	\$139,602
1230052412	19	\$2,156,922	\$115,343
1230750559	28	\$3,825,907	\$136,640
1231186429	26	\$2,951,829	\$113,532
1231426311	19	\$2,475,523	\$130,291
1232040671	51	\$2,773,358	\$54,486
1232739420	71	\$26,183,448	\$367,745
1232999637	4	\$261,470	\$65,368
1233087150	167	\$8,650,171	\$51,797
1233153258	89	\$25,373,011	\$285,090
1233239620	11	\$660,126	\$57,906
1233327674	60	\$8,141,100	\$135,685
1233338572	46	\$5,741,356	\$124,812
1233673084	78	\$13,219,682	\$169,483
1233691704	147	\$7,407,619	\$50,392
1233760561	88	\$22,565,731	\$257,306
1233842492	20	\$2,408,353	\$120,418
1234275977	69	\$10,463,729	\$151,648
1234966745	16	\$3,997,722	\$249,858

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
1234980125	6	\$558,835	\$101,606
1235057791	20	\$4,409,285	\$220,464
1235755384	133	\$49,248,961	\$370,293
1235770548	97	\$23,087,874	\$238,019
1236954447	67	\$4,297,798	\$63,984
1237222818	162	\$34,093,287	\$210,452
1237298215	61	\$5,678,660	\$93,862
1237306159	22	\$1,874,369	\$85,199
1237408034	86	\$8,978,684	\$104,805
1237488333	79	\$16,573,810	\$211,131
1237904074	18	\$4,579,750	\$253,305
1237916053	119	\$9,797,071	\$82,676
1238084904	14	\$629,641	\$45,527
1238173195	115	\$8,662,992	\$75,330
1238177474	87	\$13,279,415	\$152,637
1238431176	16	\$1,520,278	\$93,844
1238505614	29	\$1,365,689	\$47,093
1238510711	16	\$1,147,318	\$71,707
1238520242	38	\$3,749,000	\$98,658
1238765788	21	\$1,493,937	\$69,810
1238772555	76	\$11,606,000	\$152,110
1239379144	45	\$3,121,252	\$69,361
1239897775	10	\$745,536	\$74,554
1239916845	17	\$12,408,106	\$717,232
1240316759	106	\$16,656,248	\$157,134
1240405972	96	\$12,408,106	\$129,251
1240492021	153	\$13,382,187	\$87,752
1240519189	149	\$20,677,489	\$138,682
1242740530	4	\$196,390	\$45,672
1242766013	392	\$24,305,183	\$61,956
1242847325	69	\$14,182,980	\$205,550
1242997549	89	\$6,572,979	\$73,688
1243013350	52	\$16,549,376	\$318,257
1243436999	644	\$328,918,000	\$511,139
1243524425	8	\$1,389,381	\$173,673
1243613130	2	\$232,398	\$116,199
1243957086	32	\$3,546,513	\$112,588

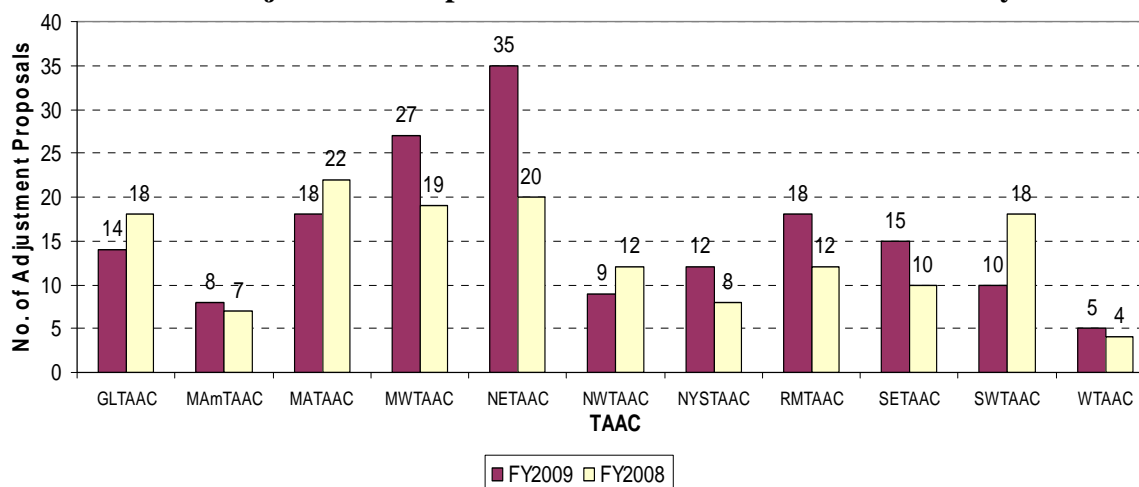
<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
1243968951	23	\$1,664,125	\$71,422
1243971069	57	\$4,043,125	\$70,808
1244043572	60	\$4,750,412	\$79,174
1244055343	99	\$4,731,197	\$48,032
1244058559	4	\$785,907	\$188,467
1244127442	71	\$15,427,668	\$216,529
1244130026	69	\$9,072,053	\$131,670
1244133405	79	\$8,686,480	\$110,095
1244141043	17	\$982,499	\$57,794
1245437191	18	\$1,736,066	\$96,448
1246279087	126	\$18,495,699	\$146,443
1246304644	474	\$147,130,573	\$310,402
1246459021	11	\$747,668	\$67,970
1246886248	21	\$3,131,095	\$151,261
1246977066	43	\$5,447,176	\$126,679
1246981790	38	\$5,652,842	\$148,759
1246994607	241	\$11,004,128	\$45,660
1247145245	8	\$442,710	\$55,339
1247147517	4	\$1,041,903	\$260,476
1247150638	10	\$1,684,610	\$163,079
1247161869	9	\$204,767	\$21,947
1247238696	13	\$1,965,636	\$151,203
1247754433	97	\$18,745,787	\$194,257
1247831618	50	\$8,934,942	\$178,699
1247835180	29	\$2,441,616	\$83,332
1247836448	72	\$10,851,151	\$150,710
1248180971	5	\$412,418	\$82,484
1248977837	137	\$21,887,413	\$159,762
1249499924	24	\$3,648,378	\$152,016
1249569202	12	\$936,104	\$78,009
1249916490	22	\$3,079,082	\$138,697
1250184197	138	\$30,238,000	\$219,116
1250265178	933	\$99,626,339	\$106,781
1327553155	10	\$1,402,910	\$140,291
1447786180	11	\$190,335	\$17,303
1531863717	114	\$14,611,240	\$128,169
1583584994	8	\$364,976	\$45,622

<b>Project Number</b>	<b>Average Monthly Employment</b>	<b>Annual Net Sales</b>	<b>Productivity</b>
1715521604	9	\$966,076	\$108,304
1741163169	66	\$9,039,000	\$137,832
1745023300	52	\$8,970,960	\$172,518
1874078704	7	\$454,718	\$67,767
1884248409	8	\$391,392	\$48,924
1892823557	107	\$13,779,974	\$128,785
1962799420	9	\$235,598	\$27,080
1968260507	32	\$4,751,162	\$150,021
1978491171	36	\$9,163,974	\$254,555
2019516425	10	\$1,669,942	\$169,882
2035965487	10	\$341,614	\$34,161
2053807288	66	\$3,595,710	\$54,480
2060034620	2	\$151,618	\$69,967
2092576996	35	\$4,072,919	\$118,056

**(8) The number of firms that received assistance developing Adjustment Proposals.**

Although EDA has not previously recorded whether a certified firm received assistance in preparing their Adjustment Proposals, EDA understood that all firms who submitted Adjustment Proposals through TAACs received assistance from the respective TAAC. EDA requested that TAACs include such information in the Adjustment Proposals. Exhibit 10 shows the number of plans submitted by each TAAC.

**Exhibit 10: No. of Adjustment Proposals submitted in FYs 2009 and 2008 by TAAC**



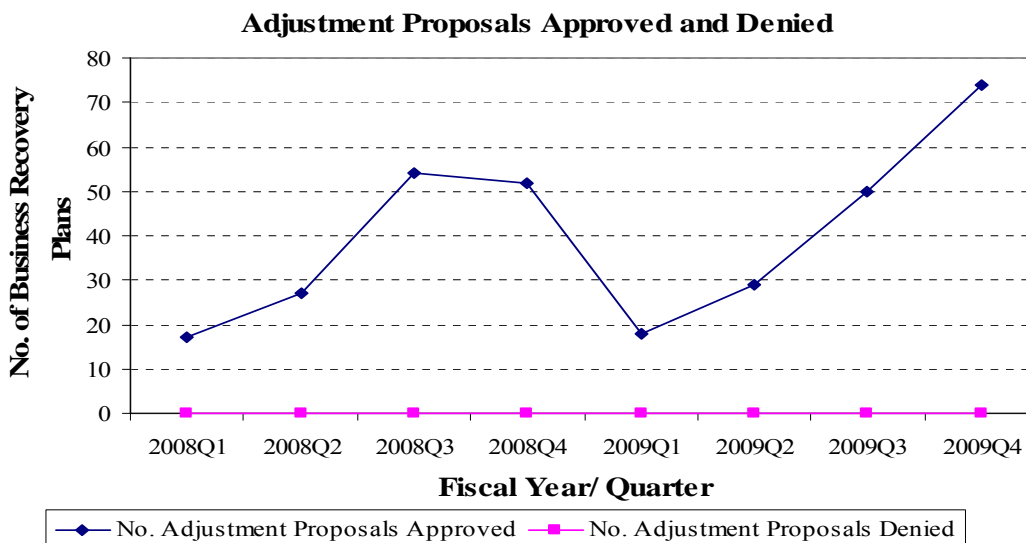
**(9) The number of Adjustment Proposals approved and denied by the Secretary of Commerce.**

In FY 2009, EDA did not deny any Adjustment Proposals and approved 172 plans.

**Exhibit 11: Characteristics of the Adjustment Proposals Approved in FYs 2003-2009**

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Number of Business Recovery Plans Approved	162	177	132	137	126	139	172
Avg. Firm Sales (millions)	\$7.2	\$11.6	\$8.4	\$10.6	\$11.2	\$15.0	\$16.4
Avg. Firm Employees	68	88	64	91	68	81	80

**Exhibit 12: Quarterly Trend of Adjustment Proposals Approved and Denied in FYs 2008 and 2009.**



- (10) *The financial assistance received by each firm participating in the program.*  
 (11) *The financial contribution made by each firm participating in the program.*

Although the TAACs maintain records on actual government and firm expenditures for implementation of Adjustment Proposals, EDA currently does not collect or record this information in a central database. In FY 2010, EDA will include this measure in the revised quarterly reports submitted by the TAACs to EDA. Exhibit 13 shows the average government and firm cost share proposed by each firm at the time their Adjustment Proposals were approved.

**Exhibit 13: Projected Costs to Implement Approved Adjustment Proposals**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total Government Share (millions)	\$8.1	\$8.5	\$5.9	\$6.7	\$7.1	\$7.9	\$10.3
Total Firm Share (millions)	\$7.4	\$8.1	\$5.4	\$6.0	\$5.9	\$7.5	\$9.8
Total Projected Costs (millions)	\$15.5	\$16.6	\$11.3	\$12.7	\$13.0	\$15.4	\$20.2
Avg. Government Assistance Per Firm <sup>6</sup>	\$50,000	\$48,023	\$44,697	\$48,905	\$56,449	\$56,827	\$60,123

<sup>6</sup> Government share of project implementation costs as proposed in the Adjustment Proposals divided by the number of approved plans.

**(12) *The types of technical assistance included in the Adjustment Proposals of firms participating in the program.***

Firms proposed various types of projects in Adjustment Proposals. More than half of all firms proposed to implement marketing/ sales or production/ engineering projects. Marketing and sales projects are geared toward increasing revenue, whereas production and engineering projects tend to be geared toward cutting costs. Support system 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. Sample projects are listed below in Exhibit 15.

**Exhibit 14: The Frequency of Specific Projects Proposed in Adjustment Proposals (presented by TAAC)**

TAAC	Number of Firms that Included the Following Projects in their Business Recovery Plans			
	Marketing/ Sales	Support Systems	Management/ Financial	Production/ Engineering
Great Lakes	15	15	11	15
MidAmerica	7	6	4	5
Mid-Atlantic	15	5	5	9
Midwest	26	16	0	23
New England	33	20	27	31
Northwest	7	1	1	5
New York State	10	6	2	9
Rocky Mountain	16	6	4	14
Southeastern	13	7	6	7
Southwest	13	10	1	11
Western	5	3	0	4
<b>Total</b>	<b>160</b>	<b>95</b>	<b>61</b>	<b>133</b>

**Exhibit 15: Sample Adjustment Proposals Projects Proposed in FY 2009**

<b>Marketing/ Sales</b>	<b>Support Systems</b>	<b>Management/ Financial</b>	<b>Production/ Engineering</b>
<ul style="list-style-type: none"> <li>• sales planning/ development</li> <li>• strategic market planning/ marketing strategy</li> <li>• sales and marketing staff training/ coaching/ mentoring</li> <li>• market, technology, merchandising, consumer research and analysis/export feasibility study</li> <li>• business development/ market expansion/ customer diversification</li> <li>• brand recognition/ rebranding</li> <li>• new product design and development, production line evaluation</li> <li>• web site update/ unitronix/ Design Online website improvements</li> <li>• kiosk ordering system/ e-commerce</li> <li>• trade show design/ model kit package/ travel exhibit design</li> <li>• visual imaging for marketing/ advertising tools</li> <li>• Industry certification promotion campaign</li> <li>• sales pricing and sales channel</li> <li>• lead generation</li> <li>• after-market service plan</li> </ul>	<ul style="list-style-type: none"> <li>• MRP/ERP selection and installation</li> <li>• IT systems upgrades</li> <li>• Software training</li> <li>• strategic information technology plan</li> <li>• MIS/IT evaluation and recommendation</li> <li>• Design software</li> <li>• MIS reporting systems and server</li> <li>• CRM and PM software</li> <li>• product identification software</li> <li>• CAD software upgrade</li> <li>• Vantage shop floor management system</li> <li>• Tele-conferencing capabilities</li> <li>• implement QuickBooks MIS modules and financial reports</li> <li>• customer communication software upgrade</li> <li>• CRM system</li> <li>• production and inventory control modules/ software</li> <li>• install new computer network</li> <li>• automate kin controllers</li> <li>• MIS system integration quality controls</li> </ul>	<ul style="list-style-type: none"> <li>• succession planning, strategic business plan, financial planning, investment planning, supply chain management strategy, pricing strategy</li> <li>• JV and management project</li> <li>• cost accounting/ pricing system/ cost studies/ quoting/ cost estimating</li> <li>• cost tracking/ control improvement</li> <li>• financial restructuring</li> <li>• human resources training, employee training</li> <li>• management-leadership development, managerial capacity building, management training and coaching</li> <li>• interim leadership</li> <li>• company fair market valuation</li> <li>• government procurement assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Quality assurance/ efficiency systems</li> <li>• production evaluation, integration, analysis, and efficiency</li> <li>• 5S, lean manufacturing, Siemens, MRP, phase-gate system</li> <li>• Industry certifications</li> <li>• Employee training</li> <li>• supply chain management program/ improvements</li> <li>• bar coding</li> <li>• PLCM improvement</li> <li>• Green manufacturing and certification</li> <li>• site evaluation</li> <li>• Job Boss Shop scheduling system implementation</li> <li>• Value stream map for the manufacturing process</li> <li>• patent requirements</li> <li>• materials test program</li> <li>• enhance testing and analytical capabilities program</li> <li>• facility expansion and design</li> <li>• prototype research, design, and testing</li> <li>• develop capabilities for new production line/ business</li> <li>• production tooling design</li> <li>• vendor stocking program</li> <li>• FSC chain of custody plan</li> <li>• calibrate equipment, equipment installation and start-up, facility/ equipment design</li> <li>• warehouse automation</li> </ul>

**(13) *The number of firms leaving the program before completing the project or projects in their Adjustment Proposals and the reason the project was not completed.***

EDA currently does not collect or record this information. In FY 2010, EDA will include this measure in the revised quarterly TAAC report.

**(14) *Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion.***

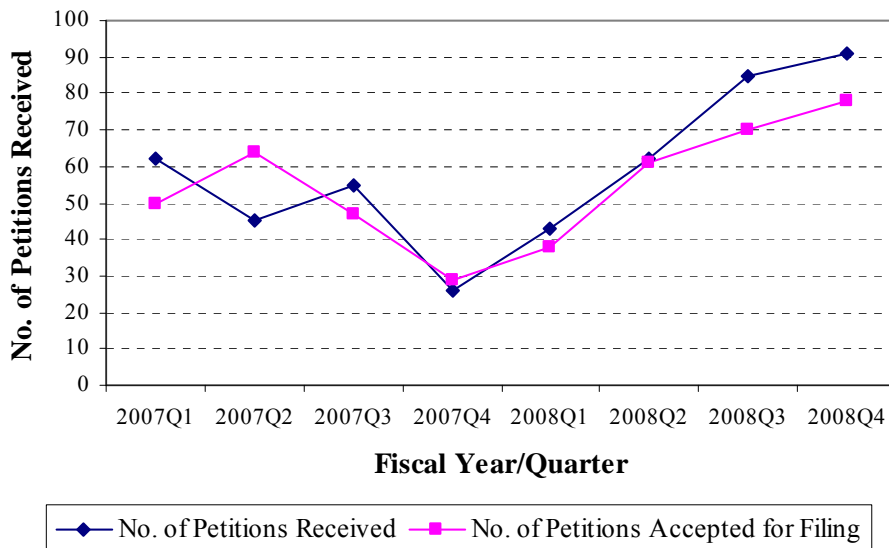
Most, if not all, TAACs record the sales, employment and productivity of firms after completing the TAAF Program. However, EDA currently does not collect or record this information for the 2-year period following completion. In FY 2010, EDA will include this measure in the revised quarterly TAAC report.

**Discussion and Analysis**

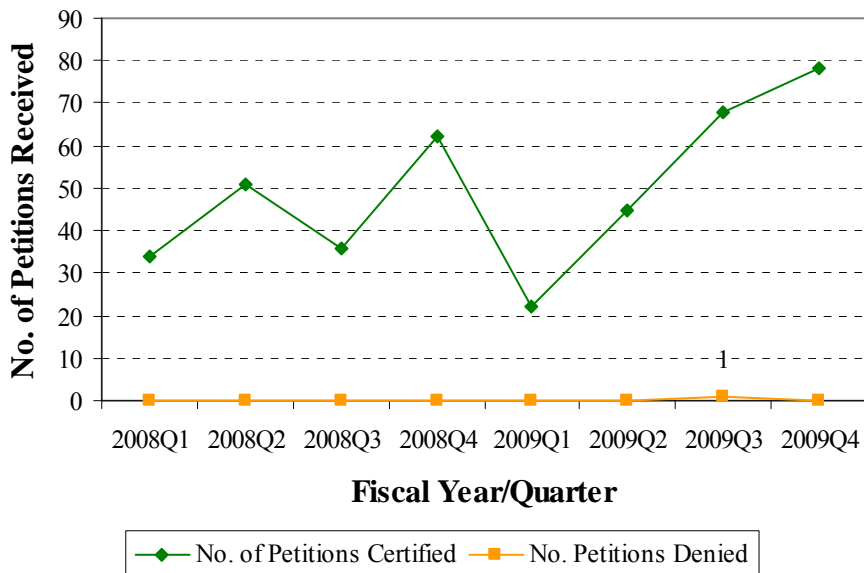
***FY 2009 Performance***

In FY 2009 as compared to FY 2008, the number of petitions submitted to EDA increased by 49 percent. Due to current economic conditions and the expansion of eligibility to service sector firms, increases in the number of petitions are expected to continue in FY 2010. As the TAACs continue to strengthen their marketing channels to more effectively reach service firms, it is expected that the number of petitions will increase. If petitions continue to increase at the same rate, EDA can expect approximately 400 petitions in FY 2010.

**Exhibit 16: Quarterly Trend of Petitions Submitted and Accepted for Filing in FYs 2008-2009**

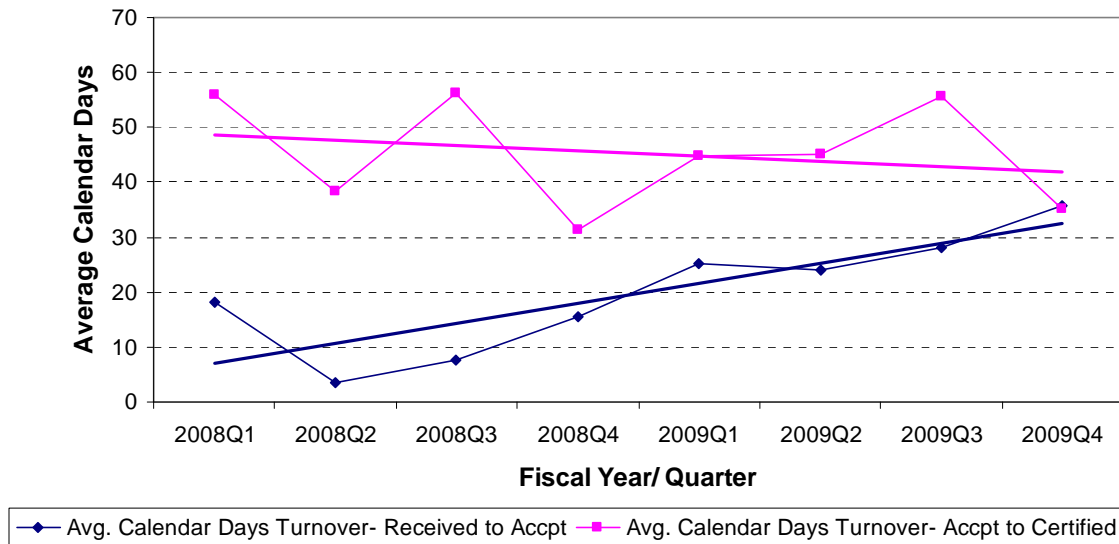


**Exhibit 17: Quarterly Trend of Petitions Certified and Denied for FYs 2008 and 2009**



The average total processing time of petitions increased by approximately 17 days, a 30 percent overall increase. A spike in the number of petitions submitted and a recent decline in the number of eligibility reviewers have made it challenging for EDA to meet the 40-day review deadline to provide a final determination on petitions. As of May 17, 2009, EDA is required to make a final determination within 40 calendar days of a petition being accepted for filing under Section 251 of the Trade Act. Before May 17, 2009, EDA had to make a determination within 60 calendar days. The average processing time has improved as of the fourth quarter of FY 2009. The addition of two new EDA Program Analysts (expected start dates between December 2009 and February 2010) and a new TAAF Program Director (start date August 30, 2009) is expected to improve EDA's processing time for petitions for the remainder of FY 2010. For the average petition, Exhibit 18 shows that, EDA missed the 40 day deadline in the third quarter of FY 2009, but was able to meet the deadline in the fourth quarter of FY 2009.

### Exhibit 18: Average Duration (in Calendar Days) for Processing Petitions for Certification



EDA must approve all petitions for certification and Adjustment Proposals for firms to receive financial assistance. Although EDA has not previously recorded whether a petitioning or certified firm received assistance in preparing their petition or Adjustment Proposals, EDA understood that all firms who submitted petitions and Adjustment Proposals through TAACs received assistance from the respective TAAC. EDA has revised Form ED-840P to more accurately record whether and from whom firms receive assistance. Also, EDA requested that TAACs include such information in the Adjustment Proposals.

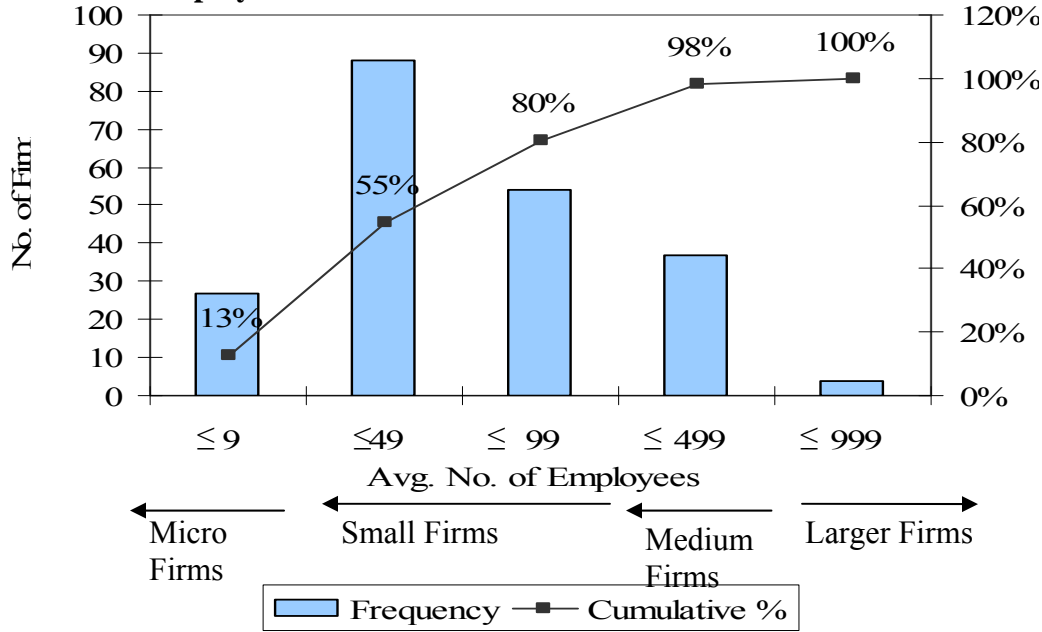
EDA has assumed that eligible firms either do not have the capacity to submit petitions and Adjustment Proposals without assistance, or that doing so would cause unnecessary burden to small and medium-sized firms. EDA, therefore, understands that all firms receive assistance.

As compared to FY 2008, average net sales of certified firms declined by 20 percent and average employment declined by six percent. The National Bureau of Economic Research (NBER) determined that a recession began in December 2007. It is likely that the recession has contributed to the decline in sales and employment of certified firms in FY 2009. Firm productivity, defined as net sales per employee, in certified firms has declined as well.

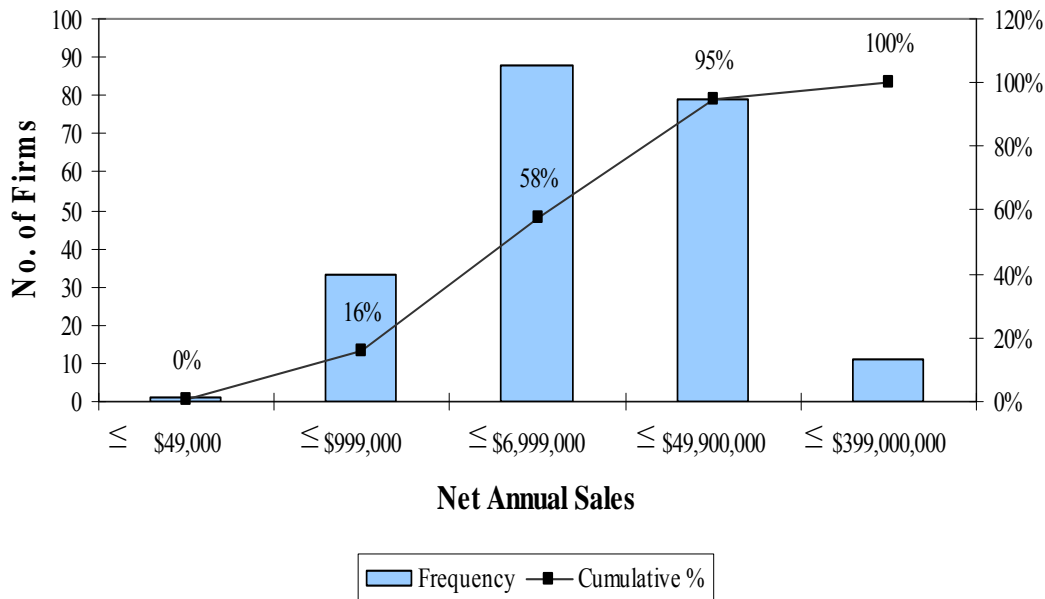
The TAAF program strongly targets small and medium-sized businesses in the provision of assistance. In order to classify small and medium-sized firms EDA used the Small Business Administration's (SBA's) size standards. Medium-sized firms are classified as those with less than 500 employees for most manufacturing and mining industries, or less than \$7 million in average annual receipts for most nonmanufacturing industries.

Ninety eight percent of the firms certified in FY 2009 had fewer than 500 employees, and 58 percent had less than \$7 million in annual net sales. This indicates that the TAAF program is mostly reaching small and medium-sized businesses.

**Exhibit 19: Employment Size of Firms Certified in FY 2009.**



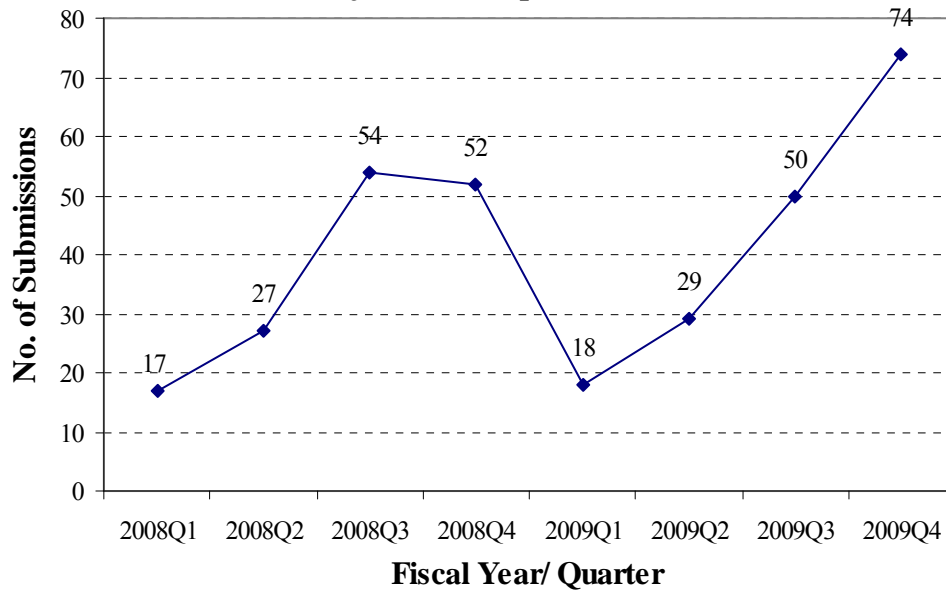
**Exhibit 20: Net Sales of Firms Certified in FY 2009**



EDA experienced a 15 percent increase in the number of Adjustment Proposals it received for approval in FY 2009. In comparison, there was a 49 percent increase in the number of petitions in the same year. It is expected that the number of Adjustment Proposals submitted will be fewer than the number of petitions, since Adjustment Proposals often take more time to create and require firms to contribute funds for their

development and implementation. Firms with limited working capital and limited access to credit will tend to develop and implement the Adjustment Proposals more gradually.

**Exhibit 21: Quarterly Trend of Adjustment Proposals Submitted in FYs 2008 and 2009.**

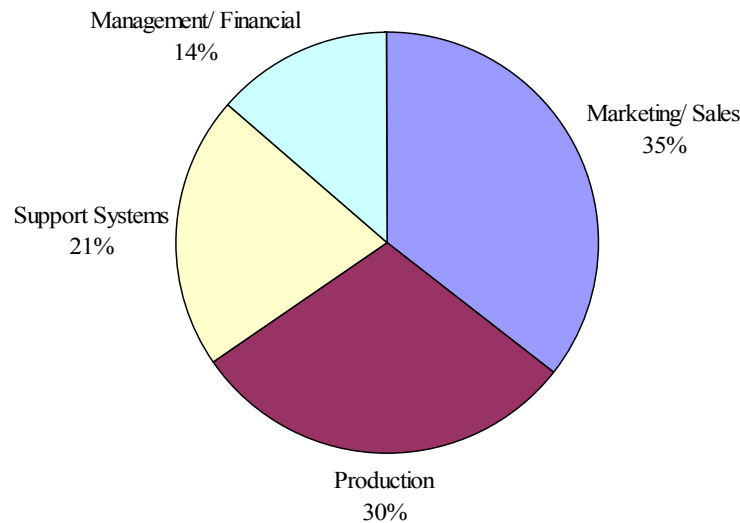


The number of approved Adjustment Proposals and the proposed financial assistance to be received from EDA and contributed by each firm increased in FY 2009. EDA approved an additional 28 Adjustment Proposals as compared to FY 2008 and proposed to spend an additional total of \$2.4 million in government funds. The TAAF Program received an increase of approximately \$1.7 million in Omnibus appropriations for FY 2009.

Approximately 65 percent of firms included marketing/sales projects or production/engineering projects in their Adjustment Proposals. Approximately 35 percent of firms included support system projects or management/financial projects in their Adjustment Proposals. This mix of project types proposed in the Adjustment Proposals indicates that firms are focusing on both revenue growth and cost reduction in order to improve their profit margin.

## Exhibit 22: Types and Frequency of Adjustment Proposal Projects Proposed by Certified Firms

Types of Projects Proposed by Firms



### *Looking Forward: Data Collection*

The TGAAA identifies 14 measures to be included in each year's TAAF Annual Report. Of the 14 measures, EDA currently does not collect data on four. These measures are: (1) the number of firms that inquired about the program, (2) the number of petitions certified by congressional district, (3) the number of firms leaving the program and why, and (4) sales, employment, and productivity at each firm upon completion of the program and every year for the two years thereafter. There are another four measures that EDA does not collect data on directly, but has access to relevant information: These measures are: (1) the number of firms that received assistance in preparing their petition, (2) the number of firms that received assistance in preparing their Adjustment Proposal, (3) the actual government outlays for each firm implementing their Adjustment Proposal, and (4) the actual firm outlays for implementing the Adjustment Proposal. Most of these measures are recorded by the TAACs, but EDA has not required TAACs to report on them to EDA.

**Exhibit 23. FY 2010 Data Collection Plan for the 14 Measurements Required for the Annual Report to Congress**

Measurement	Collected By EDA?	Record Keeping System	Procedure/ Policy Changes Required
1. Number of Firm Inquiries	No	New Management Information system (MIS)	TAACs should have a written record of their response to firm inquiries and submit a copy of this notice along with the firm's DUNS number to EDA in the TAAC's quarterly report. A new information system will need to be designed to record the information collected from the TAAC quarterly reports.
2. Number of Petitions	Yes	MIS	None
3. Number of Petitions Certified and Denied	Yes	MIS	None
4. Average Petition Processing Time	Yes	Derived from MIS	None
5. Number of Petitions and Certifications by Congressional District	No	MIS	Form ED-840P will be revised so that a firm's congressional district will be recorded. The MIS has been modified to include this information.
6. Number of Firms that Received Assistance in Preparing their Petitions	To some extent	MIS	Currently, EDA receives all petitions directly from the TAACs. Form ED-840P will be revised so that firms can indicate whether they received assistance. The MIS will be modified to include this information.
7. Number of Firms that Received Assistance in Developing Their Adjustment Proposal	To some extent	MIS	Currently, EDA receives all Adjustment Proposals directly from the TAACs. TAACs have been advised to indicate the type of assistance received by the firms in the adjustment proposals submitted to EDA. The MIS will be modified to include this information.
8. Number of Adjustment Proposals Approved and Denied	Yes	MIS	None
9. Sales, Employment, and Productivity at Time of Certification	Yes	MIS	For the large number of firms in varying industries being measured, few employ or track the same productivity measures. EDA chose to use the simplest and most universal metric for productivity: sales per employee.
10. Sales, Employment, and productivity at Each Firm Upon Completion of	No	New MIS	EDA will request this information from TAACs in their quarterly reports. Also, EDA may continue to track firms through

Measurement	Collected By EDA?	Record Keeping System	Procedure/ Policy Changes Required
the Program and Each Year for the Two-Year Period Thereafter			the Dun and Bradstreet database to collect sales and employment figures.
11. Financial Assistance Received by Each Firm Participating in the Program	To some extent	New MIS	EDA records the proposed government expenditures on each project, but does not request information on actual outlays for each firm. EDA will request this information from TAACs in their quarterly reports.
12. Financial Contribution Made by Each Firm Participating in the Program	To some extent	New MIS	EDA records firms' proposed expenditures on each project, but does not request information on actual outlays for each firm. EDA will request this information from TAACs in their quarterly reports.
13. Types of Technical Assistance Included in the Adjustment Proposals of Firms	Yes	MIS	This information is now recorded by EDA. Previously this information was submitted to EDA, but not recorded in any MIS.
14. Number of Firms Leaving the Program Before Completing the Project(s) in their AP and the Reason	No	New MIS	TAACs will be advised to include this measure in their quarterly activity reports.
Classification of Data by TAAC, State, and National Totals	Yes	MIS	None

EDA is considering several steps to address the collection of the remaining measures. Following is a list of the steps EDA will take to address the current data collection gaps.

- 1) TAACs were instructed to upgrade their Adobe software to facilitate data collection. TAACs that only have Adobe Reader can use the Adobe fillable forms, but they cannot save the information on their computers. Upgrading the Adobe software will allow the remaining TAACs to save electronic records of the forms, and will allow EDA to automatically upload information into its management information system and no longer require EDA to re-type all of the information into the system.
- 2) EDA will issue several new procedures and guidelines to simplify data collection through a revised template for the quarterly TAAC activity reports.
- 3) As resources become available, the management information system (MIS) will be expanded to facilitate reporting.
- 4) EDA is in the process of seeking OMB clearance for a revised Form ED-840P to collect all required data.

## **Conclusion**

Overall, there has been an increase in the demand for the TAAF Program in FY 2009, as demonstrated by the increase in the number of petitions for certification and Adjustment Proposals submitted to EDA.

Due to the spike in petitions and Adjustment Proposals, EDA experienced challenges in meeting the new 40-day processing deadline for petitions accepted for filing immediately after the new rule's implementation. However, since the fourth quarter of FY 2009, the average processing time for petitions declined below the 40-day requirement. New TAAF program staff members are expected to help improve processing time even further for FY 2010.

TAAAs effectively targeted small and medium-sized firms in FY 2009. The average employment, net sales, and productivity of firms certified in FY 2009 declined in comparison to the previous fiscal year. More than half of all firms proposed to implement a marketing/sales project or production/engineering project in their Adjustment Proposals.

Of the 14 measures required for reporting, EDA was unable to provide any information on four measures, and provided limited information on another four measures. EDA is taking steps to collect and report on all of the missing measures for the FY 2010 Annual Report.