

**FISCAL YEAR 2013
ANNUAL REPORT TO CONGRESS**

**TRADE ADJUSTMENT ASSISTANCE FOR FIRMS
PROGRAM**

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



“Following completion of assistance from EDA’s Trade Adjustment Assistance for Firms (TAAF) program, firms reported that, on average, sales increased by 85 percent, employment increased by 43 percent, and productivity increased by 29 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). Section 255A of the Trade Act directs the Secretary of Commerce to “submit an annual report on the Trade Adjustment Assistance for Firms (TAAF) program to Congress no later than December 15, 2012 and each year thereafter”. The TAAF program is authorized by chapters 3 and 5 of title II of the Trade Act.

Key Findings

In Fiscal Year (FY) 2013, firms assisted by the U.S. Department of Commerce Economic Development Administration’s (EDA) Trade Adjustment Assistance for Firms (TAAF) program 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 2012¹ Annual Report, along with a positive report by U.S. Government Accountability Office in FY 2012². Overall, the program is effective in helping firms become more competitive and overcome negative trade impacts. Examples of TAAF program benefits to manufacturing firms can be found in the supplement and the end of this report.

In FY 2013, firms participating in the U.S. Department of Commerce Economic Development Administration’s (EDA) Trade Adjustment Assistance for Firms (TAAF) program reported that, on average, their sales increased by 85 percent, employment increased by 43 percent, and productivity increased by 29 percent from the time of TAAF certification to the completion of the TAAF program. These same firms also report that one year after completing the program (FY 2012), average sales increased by 13 percent, average employment increased by 0.7 percent, and average productivity increased by 12 percent. By comparison to non-assisted similar firms, the U.S. Department of Labor’s Bureau of Labor Statistics (BLS) reports that, in FY 2012, the national manufacturing industry in aggregate experienced an average employment increase of 1.4 percent and average productivity increase of 1.3 percent from FY 2011.

The firms also reported that two years after completing the program, average sales increased 6.6 percent, average employment increased 20 percent, and average productivity increased 13 percent compared to the date of completion. By comparison to non-assisted similar firms, BLS reported that, in FY 2013, the manufacturing industry as a whole

¹ See EDA’s FY 2012 TAAF Annual Report, available at www.eda.gov.

² See <http://www.gao.gov/products/GAO-12-930>

experienced an average employment increase of only 0.4 percent and an average productivity increase of 3.6 percent from FY 2011³.

Furthermore, the firms reported that from the time of *certification* (as opposed to the time of program completion) to two years after the completion of assistance from the TAAF programs, sales increased by 122 percent, employment increased by 53 percent, and productivity increased by 46 percent.

The average sales of these firms at the time of completion of the TAAF program (FY 2011) were \$21.9 million, average employment was 136 and average sales per employee (productivity) were \$161,604.

All TAAF-assisted firms that completed the program in FY 2011 were in operation at the end of FY 2013, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

Summary of the TAAF Program

The TAAF program is authorized by chapters 3 and 5 of title II of the Trade Act. The responsibility for administering the TAAF program is delegated to EDA by the Secretary of Commerce. The TAAF program provides technical assistance to U.S. manufacturing and production firms⁴ affected by import competition in order to help them develop and implement projects to regain global competitiveness, increase profitability and create jobs.

On October 21, 2011, the President signed into law the Trade Adjustment Assistance Extension Act (TAAEA) of 2011 (Pub. L. No. 112-40). This Act retroactively extended some provisions – such as eligibility for service firms and expanded time periods for qualifying firm eligibility – that were enacted as part of the TGAAA until December 31, 2013, and authorized TAAF until December 31, 2014.

The mission of the TAAF program is to help U.S. firms regain competitiveness in the global economy. Import-impacted U.S. manufacturing and production 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.

³ BLS does not collect a sales measure comparable to EDA’s measure in this report (i.e. average sales per employee).

⁴ Upon the enactment of the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) (P.L. 112-40, enacted Oct. 21, 2011), service sector firms again became eligible for assistance. Pursuant to the statute, on January 1, 2014, the TAAF program reverted from the expanded program made effective by TAAEA to the more limited program that was in effect on February 13, 2011 before the TAAEA amendments. This means that as of January 1, 2014, among other things, service sector firms are no longer eligible for assistance.

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 network 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. The most common types of assistance provided in FY 2013 were marketing/sales improvement and production/engineering projects, which comprised over half of all projects supported throughout the year.

As of September 30, 2013, 882 active firms with combined sales of \$13.4 billion and a workforce of 76,268 participated in the TAAF program. In FY 2013, TAACs provided technical assistance to 442 firms in preparing petitions, 133 firms in preparing APs, and 692 firms in implementing projects within their APs. Meanwhile, EDA certified 105 petitions and approved 114 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 in the TGAAA. In FY 2013, the average processing time for petitions was 25 business days, and the average processing time for APs was 19 business days.

In order to assess the effectiveness of the TAAF program, EDA evaluates the extent to which client firms increased their sales, employment levels, and productivity following the implementation of TAAF-supported projects (program completion). To measure these outcomes, EDA compares average sales, average employment and average productivity of all firms completing the program in a particular year (known as the "base year.") These measures are compared for the same firms one and two years following program completion. The base year used for this report is FY 2011, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

Table of Contents

Introduction	6
Program Description	8
Results/Findings	12
Data for This Report	12
(1) The number of firms that inquired about the program.....	12
(2) The number of petitions filed under section 251.	13
(3) The number of petitions certified and denied by the Secretary.	13
(4) The average time for processing petitions after the petitions are filed.	13
(5) The number of petitions filed and firms certified for each Congressional District in the United States.....	18
(6) Of the number of petitions filed, the number of firms that entered the program and received benefits.....	22
(7) The number of firms that received assistance in preparing their petitions.	23
(8) The number of firms that received assistance developing business recovery plans.	24
(9) The number of business recovery plans approved and denied by the Secretary.....	25
(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. .	27
(11) Sales, employment, and productivity at each firm participating in the TAAF program at the time of certification.	31
(12) Sales, employment, and productivity at each firm upon completion of the program and each year for the two-year period following completion.	33
(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.	33
(14) The financial assistance received by each firm participating in the program.....	38
(15) The financial contribution made by each firm participating in the program.	38
(16) The types of technical assistance included in the business recovery plans of firms participating in the program.....	38
(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.	40
(18) The total amount expended by all intermediary organizations referred to in Section 253(b)(1) and by each organization to administer the program.....	41
(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.....	42
Conclusion	43
Supplement - TAAF Program Benefits to Manufacturing Firms	44

Introduction

This report is provided in compliance with Section 255A of chapter 3 of title II of the Trade Act. 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 by the 15th of December. 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 organization⁵, state, and national totals⁶, 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.

⁵ “Intermediary Organization” referred to in section 253(b)(1) are the Trade Adjustment Assistance Centers (TAACs).

⁶ 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 manufacturing sector accounts for 70 percent of U.S. private-sector research and development, 70 percent of patents, and the vast majority of U.S. exports. Manufacturing jobs provide a key pathway into the middle class, with workers earning between wages and benefits 17% more than their counterparts in other sectors.”⁷

The TAAF program is authorized by chapters 3 and 5 of title II of the Trade Act. The responsibility for administering the TAAF program is delegated to EDA by the Secretary of Commerce. The TAAF program provides technical assistance to U.S. manufacturing and production firms affected by import competition in order to help them develop and implement projects to regain global competitiveness, increase profitability and create jobs.

The mission of the TAAF program is to help U.S. firms regain competitiveness in the global economy. Import-impacted U.S. manufacturing and production firms⁸ 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. 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.

The TAAF program supports a national network of 11 independent non-profit or university-affiliated 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.

Exhibit 1: TAACs and their Respective Service Areas

TAAC	Service Areas
Great Lakes	Indiana, Michigan and Ohio
Mid-America	Arkansas, Kansas and Missouri

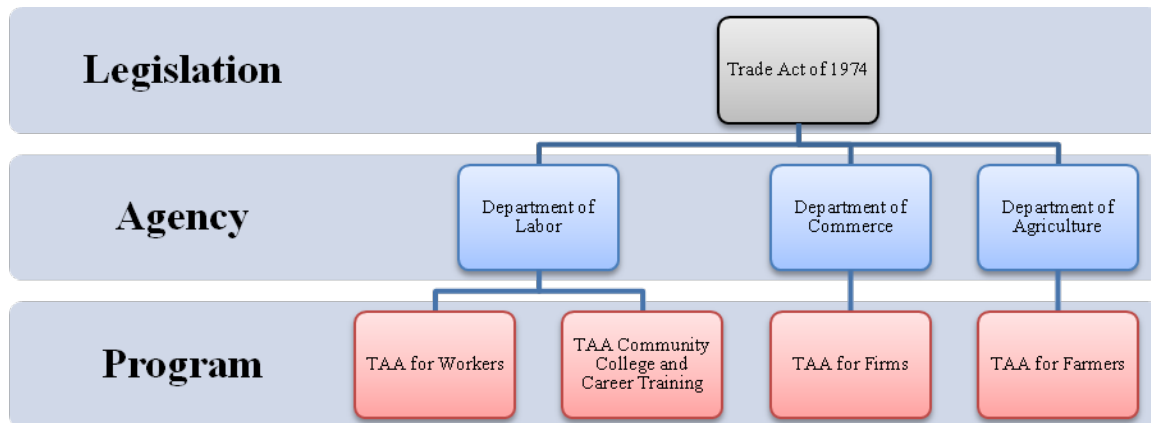
⁷ U.S. Secretary of Commerce Penny Pritzker’s testimony on *Strengthening Innovation and Manufacturing for a 21st Century Economy*, November 13, 2013.

⁸ Under the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) (P.L. 112-40, enacted Oct. 21, 2011), which expired December 31, 2013, service sector firms were eligible for assistance. As TAAF was not reauthorized before January 1, 2014, the TAAF program reverted from the expanded program made effective by TAAEA to the more limited program that was in effect on February 13, 2011 before the TAAEA amendments. This means that as of January 1, 2014, among other things, service sector firms are no longer eligible for assistance.

TAAC	Service Areas
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
Northwest	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, Tennessee and the Commonwealth of Puerto Rico
Southwest	Louisiana, Oklahoma and Texas
Western	Arizona, California, Hawaii and Nevada

The TAAF program 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 Farmers, which is administered by USDA.

Exhibit 2: TAA Programs

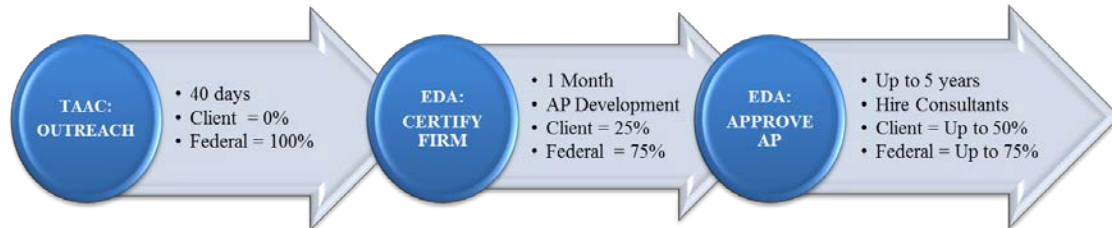


Program Initiative

As noted above, the TAAF program provides technical assistance to help firms develop and implement business recovery plans, commonly referred to as “Adjustment Proposals or “APs. Projects identified in the AP are designed to improve a firm’s competitive position. Specifically, under the TAAF program, funds are applied toward helping firms access consultants, engineers, designers or industry experts to implement business

improvement projects. 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. Funds are not provided directly to firms; instead, EDA funds TAACs and TAACs use funds to pay a portion of the cost to secure specialized business consultants.

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 Certification⁹

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 60 days 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

⁹ Upon the enactment of the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) (P.L. 112-40, enacted Oct. 21, 2011), service sector firms again became eligible for assistance. Pursuant to the statute, on January 1, 2014, the TAAF program reverted from the expanded program made effective by TAAEA to the more limited program that was in effect on February 13, 2011 before the TAAEA amendments. This means that as of January 1, 2014, among other things (included but not limited to):

1. Service sector firms are no longer eligible for assistance,
2. Applicant firms may only use a 12-month “look back” period to demonstrate their eligibility, and not a 24- or 36-month look back period, and
3. EDA must make a determination on a petition under the program within 60 days.

production or sales of the firm during the 12 months preceding the most recent 12-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.

Phase III - AP Implementation

The firm works with consultants to implement projects in an approved 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 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 their 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% of the cost of developing an AP and the firm must pay the rest. 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.
- Under the TAAF program, EDA shares the cost of implementing tasks under an approved AP to support competitiveness. 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.

Results/Findings

Data for This Report

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 2013. 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 2013, the TAACs received 2,608 inquiries about the program.

Exhibit 4: Inquiries about the TAAF program by TAAC

TAAC	No. of Firms that Inquired about the TAAF program
Great Lakes	99
Mid-America	710
Mid-Atlantic	38
Midwest	62
New England	60
New York State	67
Northwest	168
Rocky Mountain	248
Southeastern	287
Southwest	174
Western	695
Total	2,608

- (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.**

As part of its overall commitment to performance evaluation and continuous improvement, EDA assesses the performance of the TAAF program both in terms of “inputs” (e.g., types of firms assisted, petition, and AP submissions) and “outcomes” (changes in sales, employment levels, and productivity of client firms).

In terms of inputs, the TAAF program effectively targeted small and medium-sized firms in FY 2013. EDA received 104 petitions and 105 were filed (accepted for investigation) under section 251 of the Trade Act, up by 22 petitions, a 27 percent increase, compared to the number of petitions filed in FY 2012. EDA certified 105 petitions, up by 26 petitions, a 33 percent increase compared to the number of certifications in FY 2012¹⁰. Petitions are certified on a rolling basis throughout the year. Petitions certified in FY 2013 may be the result of those received or filed (accepted) in FY 2012, while petitions received or filed (accepted) in FY 2013 may not result in certification in FY 2013.

The average processing time (from acceptance to certification) for petitions was 25 business days, a 14 percent decrease compared to the average processing time for petitions in FY 2012. EDA is required to process petitions for certification within 40 days of acceptance.

Exhibit 5: Petition Activity: FY 2009 – FY 2013¹¹

FY	No. of Petitions Received	No. of Petitions Accepted for Filing	No. of Petitions Certified	No. of Petitions Denied or Withdrawn	Average Days Between Receipt and Acceptance (Filing)	Average Days Between Acceptance (Filing) and Certification	Average Days Between Receipt and Certification
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
% Change (2012 to 2013)	22%	27%	33%	N/A	(55%)	(14%)	(36%)

¹⁰ Some TAACs believe that fewer firms were eligible to participate in the program because the economy’s improvement from FY 2010 and FY 2011 prevented some firms from demonstrating a decrease in employment, sales and production required for eligibility.

¹¹ 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 2013.

Exhibit 6: Petitions Received by TAAC: FY 2009 – FY 2013

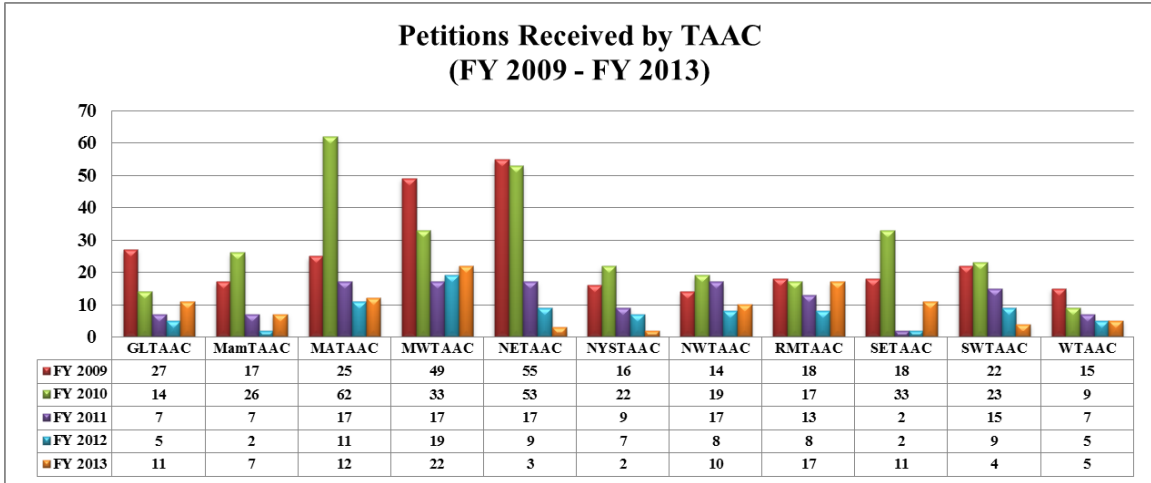


Exhibit 7: Petitions Accepted by TAAC: FY 2009 – FY 2013

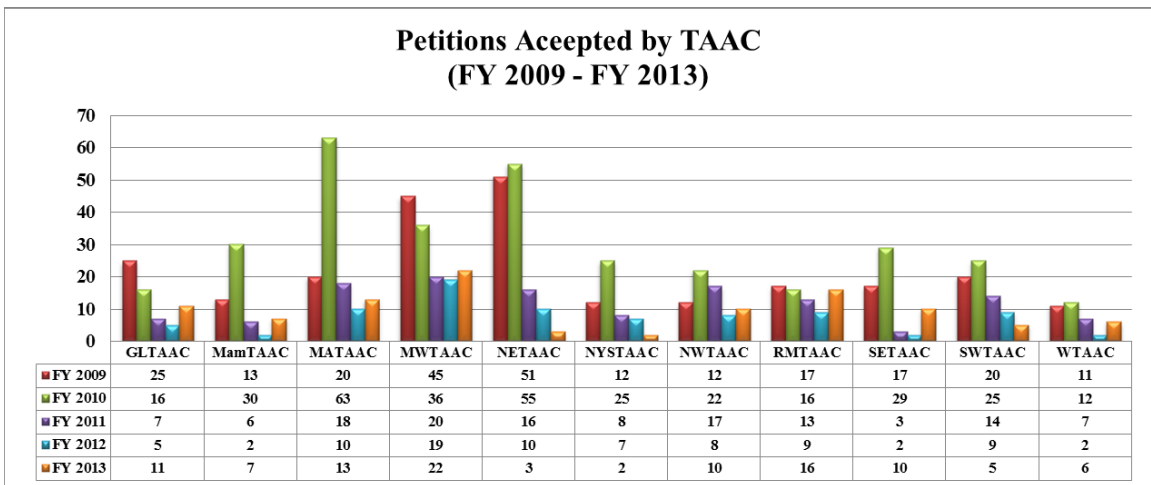


Exhibit 8: Petitions Certified by TAAC: FY 2009 – FY 2013

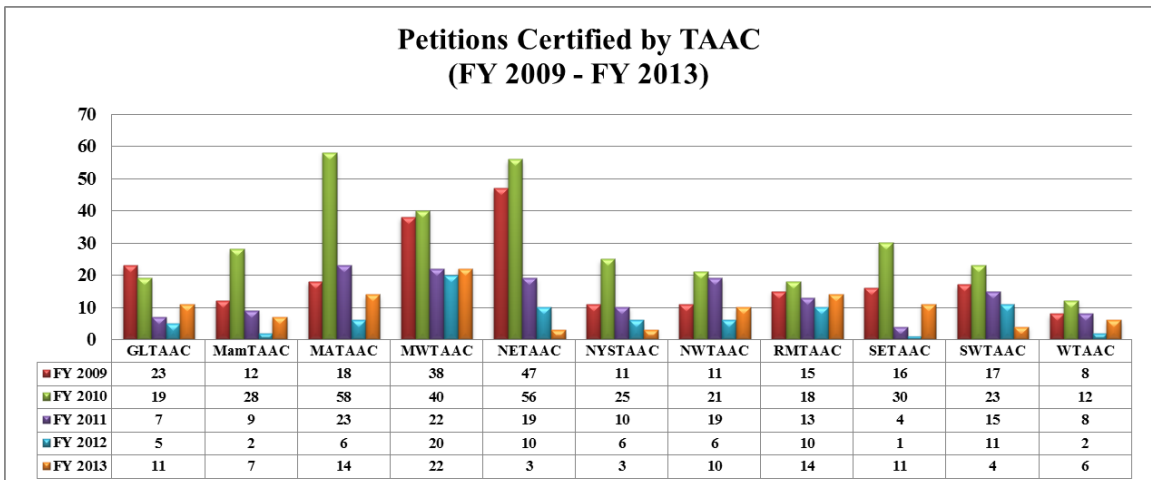


Exhibit 9: Petitions Received, Accepted, and Certified by TAAC: FY 2013

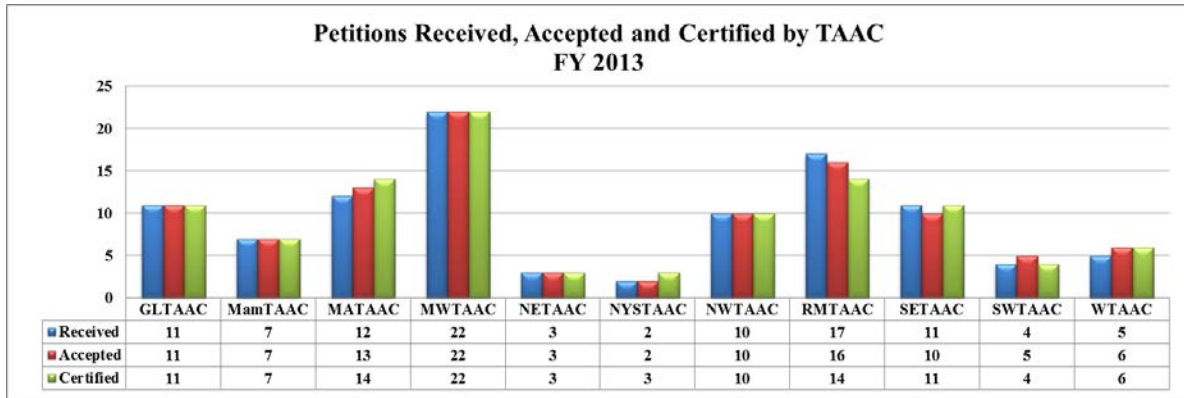


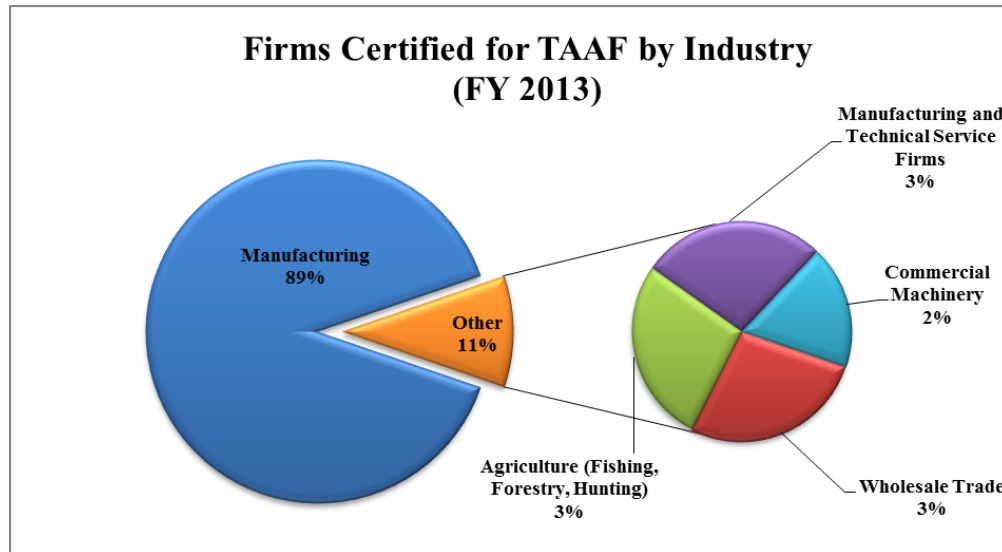
Exhibit 10: Petitions Received, Accepted, and Certified by TAAC/State: FY 2013

TAAC/State	Petitions Received	Petitions Accepted	Petitions Certified
Great Lakes	11	11	11
IN	7	7	7
MI	3	3	3
OH	1	1	1
Mid-America	7	7	7
AR	0	0	0
KS	2	2	2
MO	5	5	5
MidAtlantic	12	13	14
DC	0	0	0
DE	0	0	0
MD	0	0	0
NJ	0	1	2
PA	12	12	12
VA	0	0	0
WV	0	0	0
Midwest	22	22	22
IA	0	0	0
IL	15	15	16
MN	2	2	2
WI	5	5	4
New England	3	3	3
CT	1	1	1
MA	1	1	1

TAAC/State	Petitions Received	Petitions Accepted	Petitions Certified
ME	0	0	0
NH	0	0	0
RI	0	0	0
VT	1	1	1
New York State	2	2	3
NY	2	2	3
Northwest	10	10	10
AK	1	1	1
ID	2	2	2
MT	1	1	1
OR	2	2	2
WA	4	4	4
Rocky Mountain	17	16	14
CO	7	7	6
ND	1	1	1
NE	4	4	4
NM	0	0	0
SD	1	1	1
UT	4	3	2
WY	0	0	0
Southeastern	11	10	11
AL	2	2	2
FL	0	0	0
GA	1	1	1
KY	0	0	0
MS	0	0	0
NC	4	4	5
SC	3	2	2
TN	1	1	1
PR	0	0	0
Southwest	4	5	4
LA	3	3	2
OK	1	2	2
TX	0	0	0
Western	5	6	6
AZ	0	0	0
CA	3	4	4
NV	2	2	2
Total	104	105	105

The majority of petitions certified under the TAAF program were submitted by firms in the manufacturing industry. Firms in technical services, transportation, and wholesale trade rounded out the remaining industries¹².

Exhibit 11: Firms Certified for TAAF by Industry: FY 2013



In FY 2013, 3 percent of firms certified for TAAF were identified by the TAACs as service sector firms¹³. This is a decrease over FY 2012, where 6 percent of firms certified were identified by the TAACs as service sector firms. Service sector firms are no longer eligible for TAAF services after December 31, 2013¹⁴.

Exhibit 12: Firms Certified for TAAF Service vs. Manufacturing: FY 2013

FY	Total No. of Firms Certified	Manufacturing Firms	Percentage of Manufacturing Firms Certified	Service Firms	Percentage of Service Firms Certified
2011	149	146	98%	3	2%
2012	79	74	94%	5	6%
2013	105	93	89%	3	3%

¹² As identified by the firm's North American Industry Classification System (NAICS) code.

¹³ Firms in the service sector may also perform dual functions as manufacturing firms and may have been categorized by TAACs as a manufacturing firm.

¹⁴ Under the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) (P.L. 112-40, enacted Oct. 21, 2011), which expired December 31, 2013, service sector firms were eligible for assistance. As TAAF was not reauthorized before January 1, 2014, the TAAF program reverted from the expanded program made effective by TAAEA to the more limited program that was in effect on February 13, 2011 before the TAAEA amendments. This means that as of January 1, 2014, among other things, service sector firms are no longer eligible for assistance.

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

Exhibit 13: Petitions Filed (Accepted) and Certified by Congressional District: FY 2013

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
Great Lakes	11	11
IN	7	7
2	4	4
8	3	3
MI	3	3
4	1	1
6	1	1
9	1	1
OH	1	1
4	1	1
Mid-America	7	7
AR	0	0
KS	2	2
3	1	1
4	1	1
MO	5	5
1	2	2
2	1	1
4	1	1
5	1	1
MidAtlantic	13	14
DC	0	0
DE	0	0
NJ	1	2
7	0	1
11	1	1
PA	12	12
3	1	2
4	4	3
5	1	1

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
6	1	1
9	1	0
13	1	1
17	1	1
19	2	3
VA	0	0
WV	0	0
Midwest	22	22
IA	0	0
IL	15	16
1	1	1
3	1	1
5	1	1
6	2	2
7	1	1
8	3	4
9	2	2
14	4	4
MN	2	2
5	1	1
6	1	1
WI	5	4
2	2	1
3	1	1
6	1	1
8	1	1
New England	3	3
CT	1	1
2	1	1
MA	1	1
5	1	1
ME	0	0
NH	0	0
RI	0	0
VT	1	1
2	1	1

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
New York State	2	3
NY	2	3
2	1	1
21	0	1
25	1	1
Northwest	10	10
AK	1	1
At-Large	1	1
ID	2	2
1	2	2
MT	1	1
At-Large	1	1
OR	2	2
1	1	1
2	1	1
WA	4	4
2	0	1
3	1	1
7	2	2
8	1	0
Rocky Mountain	16	14
CO	7	6
2	4	3
4	1	1
5	1	1
7	1	1
ND	1	1
At-Large	1	1
NE	4	4
2	2	2
3	2	2
NM	0	0
SD	1	1
At-Large	1	1

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
UT	3	2
1	1	1
2	2	1
WY	0	0
Southeastern	10	11
AL	2	2
4	1	1
6	1	1
FL	0	0
GA	1	1
10	1	1
KY	0	0
MS	0	0
NC	4	5
3	1	1
5	2	2
7	1	1
12	0	1
PR	0	0
SC	2	2
2	1	1
6	1	1
TN	1	1
3	1	1
Southwest	5	4
LA	3	2
1	1	0
3	1	1
4	1	1
OK	2	2
1	2	2
TX	0	0
Western	6	6
AZ	0	0
CA	4	4
11	1	1

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
25	1	1
34	1	1
44	1	1
NV	2	2
2	2	2
Total	105	105

(6) Of the number of petitions filed, the number of firms that entered the program and received benefits¹⁵.

In FY 2013, 104 petitions were accepted (filed) for certification and 105 were certified. Of the 105 firms certified in FY 2013, 82 firms submitted and were approved for an AP *in the same fiscal year*¹⁶. An additional 32 firms that were certified for TAAF in previous fiscal years were also approved for an AP in FY 2013.

Exhibit 14: Petitions Certified and APs Approved: FY 2013

TAAC	No. of Petitions Accepted	No. of Petitions Certified	No. of APs Approved for Firms Certified in FY 2013
Great Lakes	11	11	8
Mid-America	7	7	6
MidAtlantic	13	14	6
Midwest	22	22	20
New England	3	3	3
New York State	2	3	1
Northwest	10	10	10
Rocky Mountain	16	14	13
Southeastern	10	11	6
Southwest	5	4	3
Western	6	6	6
Total	105	105	82

¹⁵ *Benefits* are defined as technical assistance provided to TAAF-certified firms in preparing and implementing business recovery plans (APs).

¹⁶ 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 2013 that also submitted and received an approved business recovery plan in the same fiscal year.* The total number of APs approved in FY 2013 is reported in Exhibits 19, 20 and 21.

Exhibit 15: TAAF Assistance to Firms: FY 2013

In FY 2013, 1,129 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.

TAAC	TAAF Assistance
Great Lakes	81
Mid-America	57
MidAtlantic	106
Midwest	336
New England	110
New York State	84
Northwest	88
Rocky Mountain	90
Southeastern	91
Southwest	43
Western	43
Total	1,129

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

In FY 2013, 442 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 16: Petition Assistance Activity: FY 2013

TAAC	Petition Assistance
Great Lakes	16
Mid-America	28
MidAtlantic	17
Midwest	208
New England	7
New York State	37
Northwest	17
Rocky Mountain	23
Southeastern	59
Southwest	16
Western	14
Total	442

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

In FY 2013, 133 firms received assistance in developing APs and 692 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 17: AP Development Activity: FY 2013

TAAC	AP Development Assistance
Great Lakes	10
Mid-America	6
MidAtlantic	22
Midwest	26
New England	2
New York State	16
Northwest	13
Rocky Mountain	18
Southeastern	8
Southwest	3
Western	9
Total	133

Exhibit 18: AP Implementation Activity: FY 2013

TAAC	AP Implementation Assistance
Great Lakes	75
Mid-America	32
MidAtlantic	51
Midwest	155
New England	110
New York State	47
Northwest	78
Rocky Mountain	77
Southeastern	24
Southwest	8
Western	35
Total	692

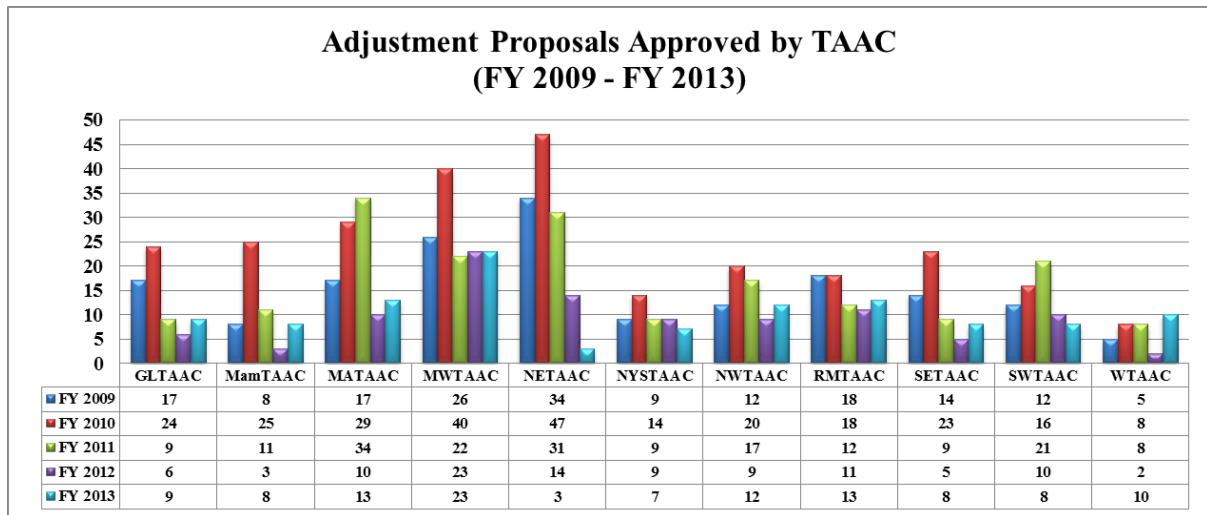
(9) The number of business recovery plans approved and denied by the Secretary.

In FY 2013, EDA approved 114 APs, an increase of 12 compared to FY 2012 and a 12 percent increase over this period¹⁷. EDA successfully met the 60-day processing deadline for approval of APs. The average processing time for APs was 15 business days, a 29 percent decrease compared to FY 2012¹⁸.

Exhibit 19: Summary of APs Approved: FY 2009 – FY 2013

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	172	\$10,393,639	\$9,888,201	\$20,281,840	\$60,428	20
2010	264	\$16,448,946	\$15,743,946	\$32,192,892	\$62,307	24
2011	183	\$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
Total	835	\$49,548,583	\$47,021,645	\$96,570,227	\$59,340	19
% Change (2012 to 2013)	12%	14%	15%	14%	2%	(29%)

Exhibit 20: APs Approved by TAAC: FY 2009 – FY 2013



¹⁷ Some TAACs believe that fewer firms were eligible to participate in the program because the economy’s improvement from FY 2010 and FY 2011 prevented some firms from demonstrating a decrease in employment, sales, and production required for eligibility. Subsequently, fewer APs were submitted.

¹⁸ Firms have two years from the date of certification to submit an AP to EDA. APs approved in FY 2013 may represent firms that were certified for TAAF between FY 2011 – FY 2013.

Exhibit 21: APs Approved by TAAC/State: FY 2013

TAAC/State	No. of APs Approved	Government Share of Approved AP Projects	Firm Share of Approved AP Projects	Total Approved AP Projects
Great Lakes	9	\$591,740	\$576,740	\$1,168,480
IN	5	\$313,400	\$298,400	\$611,800
MI	2	\$128,340	\$128,340	\$256,680
OH	2	\$150,000	\$150,000	\$300,000
Mid-America	8	\$547,500	\$532,500	\$1,080,000
AR	1	\$75,000	\$75,000	\$150,000
KS	3	\$172,500	\$157,500	\$330,000
MO	4	\$300,000	\$300,000	\$600,000
MidAtlantic	13	\$635,770	\$605,770	\$1,241,540
PA	13	\$635,770	\$605,770	\$1,241,540
Midwest	23	\$1,478,976	\$1,463,975	\$2,942,951
IA	1	\$75,000	\$75,000	\$150,000
IL	16	\$1,033,176 ¹⁹	\$1,018,175	\$2,051,351
MN	2	\$100,800	\$100,800	\$201,600
WI	4	\$270,000	\$270,000	\$540,000
New England	3	\$120,000	\$90,000	\$210,000
CT	1	\$22,500	\$7,500	\$30,000
MA	1	\$22,500	\$7,500	\$30,000
VT	1	\$75,000	\$75,000	\$150,000
New York State	7	\$341,762	\$314,262	\$656,024
NY	7	\$341,762	\$314,262	\$656,024
Northwest	12	\$490,000	\$385,000	\$875,000
AK	1	\$22,500	\$7,500	\$30,000
ID	2	\$97,500	\$82,500	\$180,000
MT	1	\$22,500	\$7,500	\$30,000
OR	3	\$182,500	\$182,500	\$365,000
WA	5	\$165,000	\$105,000	\$270,000
Rocky Mountain	13	\$752,500	\$752,500	\$1,505,000
CO	6	\$305,000	\$305,000	\$610,000
ND	1	\$45,000	\$45,000	\$90,000
NE	3	\$240,000	\$240,000	\$480,000
SD	1	\$22,500	\$22,500	\$45,000
UT	2	\$140,000	\$140,000	\$280,000

¹⁹ Rounded up to the nearest dollar.

TAAC/State	No. of APs Approved	Government Share of Approved AP Projects	Firm Share of Approved AP Projects	Total Approved AP Projects
Southeastern	8	\$334,750	\$274,750	\$609,500
GA	1	\$19,750	\$19,750	\$39,500
NC	4	\$142,500	\$97,500	\$240,000
SC	2	\$97,500	\$82,500	\$180,000
TN	1	\$75,000	\$75,000	\$150,000
Southwest	8	\$495,000	\$465,000	\$960,000
LA	2	\$97,500	\$82,500	\$180,000
OK	3	\$225,000	\$225,000	\$450,000
TX	3	\$172,500	\$157,500	\$330,000
Western	10	\$405,000	\$315,000	\$720,000
AZ	2	\$150,000	\$150,000	\$300,000
CA	6	\$210,000	\$150,000	\$360,000
NV	2	\$45,000	\$15,000	\$60,000
Total	114	\$6,192,998	\$5,775,497	\$11,968,495

(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 2013, 145 firms exited the TAAF program after being approved for an AP. Nationally, firms receive on average 58 months²⁰ of benefits under the TAAF program.

Exhibit 22: Average Duration of Benefits Received – Firms that Completed Program: FY 2013 by TAAC (Region)/Firm

TAAC/Firm Number	Average No. of Months TAAC/Firms Received Benefits Under TAAF program
Great Lakes	70
GLTAAC-EXT-001	73
GLTAAC-EXT-002	72
GLTAAC-EXT-003	67
GLTAAC-EXT-004	69
GLTAAC-EXT-005	68
Mid-America	53
MamTAAC-EXT-001	35

²⁰ Prior to 2008, firms were allowed in excess of five years to complete projects, resulting in a longer than average duration of benefits. Firms have five years from the date of AP approval to complete their projects.

TAAC/Firm Number	Average No. of Months TAAC/Firms Received Benefits Under TAAF program
MamTAAC-EXT-002	33
MamTAAC-EXT-003	71
MamTAAC-EXT-004	29
MamTAAC-EXT-005	70
MamTAAC-EXT-006	76
MamTAAC-EXT-007	64
MamTAAC-EXT-008	74
MamTAAC-EXT-009	38
MamTAAC-EXT-010	64
MamTAAC-EXT-011	65
MamTAAC-EXT-012	45
MamTAAC-EXT-013	30
MidAtlantic	46
MATAAC-EXT-001	28
MATAAC-EXT-002	43
MATAAC-EXT-003	30
MATAAC-EXT-004	74
MATAAC-EXT-005	30
MATAAC-EXT-006	68
Midwest	65
MWTAAC-EXT-001	60
MWTAAC-EXT-002	62
MWTAAC-EXT-003	61
MWTAAC-EXT-004	66
MWTAAC-EXT-005	67
MWTAAC-EXT-006	71
MWTAAC-EXT-007	61
MWTAAC-EXT-008	66
MWTAAC-EXT-009	72
New England	41
NETAAC-EXT-001	70
NETAAC-EXT-002	13
NETAAC-EXT-003	31
NETAAC-EXT-004	37
NETAAC-EXT-005	42
NETAAC-EXT-006	37
NETAAC-EXT-007	46
NETAAC-EXT-008	48
New York State	47
NYSTAAC-EXT-001	43
NYSTAAC-EXT-002	27

TAAC/Firm Number	Average No. of Months TAAC/Firms Received Benefits Under TAAF program
NYSTAAC-EXT-003	85
NYSTAAC-EXT-004	62
NYSTAAC-EXT-005	40
NYSTAAC-EXT-006	36
NYSTAAC-EXT-007	41
NYSTAAC-EXT-008	25
NYSTAAC-EXT-009	33
NYSTAAC-EXT-010	68
NYSTAAC-EXT-011	39
NYSTAAC-EXT-012	24
NYSTAAC-EXT-013	67
NYSTAAC-EXT-014	72
NYSTAAC-EXT-015	64
NYSTAAC-EXT-016	61
NYSTAAC-EXT-017	41
NYSTAAC-EXT-018	25
Northwest	70
NWTAAC-EXT-001	32
NWTAAC-EXT-002	45
NWTAAC-EXT-003	59
NWTAAC-EXT-004	69
NWTAAC-EXT-005	65
NWTAAC-EXT-006	117
NWTAAC-EXT-007	137
NWTAAC-EXT-008	86
NWTAAC-EXT-009	85
NWTAAC-EXT-010	66
NWTAAC-EXT-011	91
NWTAAC-EXT-012	76
NWTAAC-EXT-013	63
NWTAAC-EXT-014	129
NWTAAC-EXT-015	24
NWTAAC-EXT-016	94
NWTAAC-EXT-017	69
NWTAAC-EXT-018	76
NWTAAC-EXT-019	8
NWTAAC-EXT-020	60
NWTAAC-EXT-021	116
NWTAAC-EXT-022	31
NWTAAC-EXT-023	63

TAAC/Firm Number	Average No. of Months TAAC/Firms Received Benefits Under TAAF program
NWTAAC-EXT-024	25
NWTAAC-EXT-025	68
NWTAAC-EXT-026	108
NWTAAC-EXT-027	41
Rocky Mountain	65
RMTAAC-EXT-001	81
RMTAAC-EXT-002	70
RMTAAC-EXT-003	36
RMTAAC-EXT-004	62
RMTAAC-EXT-005	81
RMTAAC-EXT-006	40
RMTAAC-EXT-007	83
Southeastern	46
SETAAC-EXT-001	26
SETAAC-EXT-002	51
SETAAC-EXT-003	34
SETAAC-EXT-004	33
SETAAC-EXT-005	33
SETAAC-EXT-006	54
SETAAC-EXT-007	53
SETAAC-EXT-008	62
SETAAC-EXT-009	33
SETAAC-EXT-010	69
SETAAC-EXT-011	46
SETAAC-EXT-012	77
SETAAC-EXT-013	50
SETAAC-EXT-014	53
SETAAC-EXT-015	33
SETAAC-EXT-016	59
SETAAC-EXT-017	36
SETAAC-EXT-018	17
Southwest	59
SWTAAC-EXT-001	61
SWTAAC-EXT-002	76
SWTAAC-EXT-003	64
SWTAAC-EXT-004	56
SWTAAC-EXT-005	55
SWTAAC-EXT-006	56
SWTAAC-EXT-007	53
SWTAAC-EXT-008	58
SWTAAC-EXT-009	72

TAAC/Firm Number	Average No. of Months TAAC/Firms Received Benefits Under TAAF program
SWTAAC-EXT-010	66
SWTAAC-EXT-011	64
SWTAAC-EXT-012	63
SWTAAC-EXT-013	62
SWTAAC-EXT-014	24
Western	74
WTAAC-EXT-001	74
WTAAC-EXT-002	76
WTAAC-EXT-003	71
Total National Average	58

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

As of the end of FY 2013, 882 active firms with combined sales of \$13.4 billion and a workforce of 76,268 are participating in the TAAF program. 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 net 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 23: Sales, Employment, and Productivity²¹ at All Firms Participating in the TAAF Program in FY 2013 by TAAC and State:

TAAC/State	Total No. of Active Firms in FY 2013	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
Great Lakes	80	\$1,893,089,505	10,537	\$179,661
IN	23	\$334,340,559	2,742	\$121,933
MI	33	\$587,318,299	2,529	\$232,233
OH	24	\$971,430,647	5,266	\$184,472
Mid-America	40	\$791,767,142	3,446	\$229,764
AR	4	\$12,141,606	230	\$52,790

²¹ The total productivity as presented in across TAACs, States and the summary line of Exhibit 24 represents the actual total average productivity in FY 2013. 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 2013	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
KS	12	\$134,823,421	1,165	\$115,728
MO	24	\$644,802,115	2,051	\$314,384
MidAtlantic	90	\$985,545,284	6,272	\$157,134
MD	2	\$4,400,308	35	\$125,723
NJ	8	\$38,387,155	306	\$125,448
PA	78	\$930,216,502	5,750	\$161,777
VA	2	\$12,541,319	181	\$69,289
Midwest	138	\$1,698,452,131	10,686	\$158,942
IA	3	\$115,264,196	483	\$238,642
IL	81	\$599,316,585	3,651	\$164,151
MN	28	\$617,852,597	3,863	\$159,941
WI	26	\$366,018,753	2,689	\$136,117
New England	133	\$1,055,428,380	6,746	\$156,452
CT	18	\$109,744,268	871	\$125,998
MA	58	\$425,284,094	2,656	\$160,122
ME	14	\$231,695,018	1,259	\$184,031
NH	20	\$182,952,491	1,001	\$182,770
RI	20	\$84,135,558	697	\$120,711
VT	3	\$21,616,951	262	\$82,507
New York State	59	\$1,166,040,926	4,635	\$251,573
NY	59	\$1,166,040,926	4,635	\$251,573
Northwest	81	\$759,763,784	4,883	\$155,594
AK	4	\$22,740,225	110	\$206,729
ID	12	\$64,353,983	684	\$94,085
MT	9	\$48,391,608	364	\$132,944
OR	19	\$397,163,424	2,130	\$186,462
WA	37	\$227,114,544	1,595	\$142,392
Rocky Mountain	80	\$3,000,995,121	12,673	\$236,802
CO	34	\$1,038,359,230	3,247	\$319,790
ND	7	\$158,182,209	729	\$216,985
NE	8	\$55,877,357	479	\$116,654
NM	4	\$40,663,880	290	\$140,220
SD	9	\$344,312,065	1,277	\$269,626
UT	15	\$1,312,670,647	6,334	\$207,242
WY	3	\$50,929,733	317	\$160,662
Southeastern	62	\$925,313,008	10,066	\$91,925
AL	4	\$50,429,005	455	\$110,833

TAAC/State	Total No. of Active Firms in FY 2013	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
FL	4	\$3,046,275	24	\$126,928
GA	11	\$40,188,828	515	\$78,037
KY	4	\$100,053,083	603	\$165,926
MS	1	\$2,496,868	21	\$118,898
NC	22	\$466,880,711	6,561	\$71,160
SC	11	\$193,453,137	1,427	\$135,566
TN	5	\$68,765,101	460	\$149,489
Southwest	84	\$410,736,677	3,545	\$115,864
LA	20	\$120,042,662	554	\$216,684
OK	27	\$147,686,437	1,515	\$97,483
TX	37	\$143,007,578	1,476	\$96,889
Western	35	\$679,505,373	2,779	\$244,514
AZ	5	\$104,630,508	484	\$216,179
CA	26	\$545,029,178	2,097	\$259,909
HI	2	\$23,068,866	126	\$183,086
NV	2	\$6,776,821	72	\$94,123
Total (Nationwide)	882	\$13,366,637,331	76,268	\$175,259²²

- (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.

In order to assess the effectiveness of the TAAF program in terms of outcomes, EDA assesses the extent to which client firms increased their sales, employment levels, and productivity following the implementation of TAAF-supported projects (program completion). To measure these outcomes, EDA compares average sales, average employment and average productivity of all firms completing the program in a particular year (the most recent “base year”) to these same measures for the same firms one and two years following program completion. The base year used for this report is FY 2011, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

²² The total productivity as presented in across TAACs, States and the summary line of Exhibit 24 represents the actual total average productivity in FY 2013. 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.

Following completion of assistance from the TAAF program, firms reported that from the time of certification for TAAF to completion, on average, sales increased by 85 percent, employment increased by 43 percent, and productivity increased by 29 percent. At completion of the TAAF program (FY 2011) average sales were \$21.9 million, average employment was 136 and average sales per employee (productivity) were \$161,604.

One year after completing the program (FY 2012), these same firms reported that average sales, employment and productivity continued to grow. Average sales increased by 12.8 percent, average employment increased by 0.7 percent, and average productivity increased by 12 percent. By comparison to similar non-assisted firms, the U.S. Bureau of Labor Statistics (BLS) reports that, in FY 2012, the national manufacturing industry in aggregate experienced an average employment increase of 1.4 percent and average productivity increase of 1.3 percent from FY 2011.

Two years after completing the program (FY 2013), these same firms reported continued growth in sales, employment and productivity. Average sales increased by 20.3 percent, average employment increased by 6.6 percent, and average productivity increased by 12.8 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2013 experienced an average employment increase of 0.4 percent and average productivity increase of 3.6 percent from FY 2011.

Two years after the completion of assistance from the TAAF program, these same firms reported that from the time of *certification* in the program, on average, sales increased by 122.3 percent, employment increased by 52.6 percent, and productivity increased by 45.6 percent.

Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole. Firms that completed the TAAF program in FY 2011 experienced significant growth in sales, employment and productivity from the time of initial certification to a period of two years post competition, representing a solid return on federal investment and a successful public-private partnership.

Additionally, all firms that completed the TAAF program in FY 2011 were in operation as of the end of FY 2013, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

For the purposes of this report, data are reported only for firms where all data were available. 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.

Exhibit 24: Summary of Average Sales, Employment, and Productivity at Firms at Certification, upon Completion of the Program and the One-Year and Two-Year Period Following Completion.

	Certification (Firms that completed in FY 2011)	Completion (FY 2011)	1st Year Following Completion (FY 2012)	2nd Year Following Completion (FY 2013)	% Change Certification to Completion	% Change 1st Year after Completion	% Change 2nd Year after Completion
Average Sales	\$11,894,273	\$21,978,117	\$24,789,368	\$26,441,473	84.8%	12.8%	20.3%
Average Employment	95	136	137	145	43.2%	0.7%	6.6%
Average Productivity	\$125,203	\$161,604	\$180,944	\$182,355	29.1%	12.0%	12.8%

Exhibit 25: 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 2011)	Average Sales 1st Yr. Following Completion (FY 2012)	Average Sales 2nd Yr. Following Completion (FY 2013)	Average Employment at Certification	Average Employment at Completion (FY 2011)	Average Employment 1st Yr. Following Completion (FY 2012)	Average Employment 2nd Yr. Following Completion (FY 2013)	Average Productivity at Certification	Average Productivity at Completion (FY 2011)	Average Productivity 1st Yr. Following Completion (FY 2012)	Average Productivity 2nd Yr. Following Completion (FY 2013)
GLTAAC-CMP-001	\$32,016,995	\$49,000,000	\$49,000,000	\$62,800,000	116	89	99	102	\$276,009	\$550,562	\$494,949	\$615,686
GLTAAC-CMP-002	\$8,563,705	\$6,700,000	\$7,000,000	\$6,000,000	62	42	41	37	\$138,124	\$159,524	\$170,732	\$162,162
GLTAAC-CMP-003	\$67,900,000	\$88,810,000	\$97,000,000	\$127,000,000	525	499	575	650	\$129,333	\$177,976	\$168,696	\$195,385
GLTAAC-CMP-004	\$19,627,487	\$7,000,000	\$11,559,000	\$9,141,000	145	100	101	85	\$135,362	\$70,000	\$114,446	\$107,541
MamTAAC-CMP-001	\$15,392,000	\$35,670,000	\$37,676,017	\$37,676,009	58	90	89	60	\$265,379	\$396,333	\$423,326	\$627,933
MWTAAC-CMP-001	\$2,099,361	\$2,500,000	\$2,500,000	\$2,450,000	17	20	20	22	\$123,492	\$125,000	\$125,000	\$111,364
MWTAAC-CMP-002	\$4,106,238	\$5,745,896	\$5,745,896	\$6,000,000	25	31	31	50	\$164,250	\$185,351	\$185,351	\$120,000
MWTAAC-CMP-003	\$490,838	\$550,000	\$550,000	\$670,000	7	6	6	6	\$70,120	\$91,667	\$91,667	\$111,667
MWTAAC-CMP-004	\$8,640,745	\$6,212,270	\$6,212,270	\$7,372,000	63	64	64	65	\$137,155	\$97,067	\$97,067	\$113,415
MWTAAC-CMP-005	\$678,631	\$650,000	\$650,000	\$600,000	9	8	8	8	\$75,403	\$81,250	\$81,250	\$75,000
MWTAAC-CMP-006	\$3,537,246	\$3,500,000	\$3,500,000	\$4,500,000	18	18	18	21	\$196,514	\$194,444	\$194,444	\$214,286
MWTAAC-CMP-007	\$7,986,187	\$7,800,000	\$7,800,000	\$7,700,000	76	84	84	65	\$105,081	\$92,857	\$92,857	\$118,462
MWTAAC-CMP-008	\$6,669,681	\$10,216,000	\$10,216,000	\$13,700,000	55	60	60	190	\$121,267	\$170,267	\$170,267	\$72,105
NETAAC-CMP-001	\$3,374,409	\$3,260,546	\$3,775,471	\$3,385,880	17	21	23	18	\$198,495	\$155,264	\$164,151	\$188,104
NETAAC-CMP-002	\$34,750,000	\$40,060,000	\$38,481,000	\$28,683,000	341	379	408	346	\$101,906	\$105,699	\$94,316	\$82,899
NETAAC-CMP-004	\$1,049,755	\$1,496,947	\$1,634,966	\$1,873,998	111	112	117	132	\$9,457	\$13,366	\$13,974	\$14,197
NYSTAAC-CMP-001	\$2,300,000	\$2,650,000	\$2,800,000	\$2,000,000	29	30	30	20	\$79,310	\$88,333	\$93,333	\$100,000
NYSTAAC-CMP-002	\$17,905,792	\$27,000,000	\$25,000,000	\$25,600,000	114	114	110	111	\$157,068	\$236,842	\$227,273	\$230,631
NYSTAAC-CMP-003	\$4,746,000	\$4,900,000	\$4,805,616	\$4,900,000	56	32	32	32	\$84,750	\$153,125	\$150,176	\$153,125

Firm ID	Average Sales at Certification	Average Sales at Completion (FY 2011)	Average Sales 1st Yr. Following Completion (FY 2012)	Average Sales 2nd Yr. Following Completion (FY 2013)	Average Employment at Certification	Average Employment at Completion (FY 2011)	Average Employment 1st Yr. Following Completion (FY 2012)	Average Employment 2nd Yr. Following Completion (FY 2013)	Average Productivity at Certification	Average Productivity at Completion (FY 2011)	Average Productivity 1st Yr. Following Completion (FY 2012)	Average Productivity 2nd Yr. Following Completion (FY 2013)
NYSTAAC-CMP-004	\$10,195,036	\$8,511,000	\$7,475,000	\$8,500,000	47	47	46	60	\$216,916	\$181,085	\$162,500	\$141,667
NYSTAAC-CMP-005	\$1,727,518	\$3,500,000	\$6,174,658	\$7,794,433	18	40	55	60	\$95,973	\$87,500	\$112,267	\$129,907
NYSTAAC-CMP-006	\$195,253	\$500,000	\$529,152	\$530,000	2	2	2	2	\$97,627	\$250,000	\$264,576	\$265,000
NYSTAAC-CMP-007	\$13,092,933	\$13,100,000	\$13,925,787	\$15,156,345	128	132	135	138	\$102,289	\$99,242	\$103,154	\$109,829
NYSTAAC-CMP-008	\$39,632,756	\$257,007,000	\$334,413,000	\$341,573,000	486	1,350	1,400	1,400	\$81,549	\$190,376	\$238,866	\$243,981
NYSTAAC-CMP-009	\$10,242,329	\$8,500,000	\$9,500,000	\$10,000,000	36	44	35	32	\$284,509	\$193,182	\$271,429	\$312,500
NWTAAC-CMP-001	\$12,076,000	\$29,000,000	\$30,500,000	\$24,061,148	99	369	250	300	\$121,980	\$78,591	\$122,000	\$80,204
NWTAAC-CMP-002	\$8,233,000	\$12,000,000	\$3,486,561	\$4,800,000	71	70	46	90	\$115,958	\$171,429	\$75,795	\$53,333
NWTAAC-CMP-004	\$19,923,000	\$21,628,000	\$26,300,000	\$35,941,184	95	132	155	183	\$209,716	\$163,848	\$169,677	\$196,400
NWTAAC-CMP-005	\$166,000	\$663,000	\$830,000	\$920,000	2	2	3	5	\$83,000	\$331,500	\$276,667	\$184,000
RMTAAC-CMP-001	\$1,214,777	\$6,724,111	\$6,611,923	\$6,800,000	18	41	40	38	\$67,488	\$164,003	\$165,298	\$178,947
RMTAAC-CMP-002	\$2,569,592	\$2,372,858	\$4,536,383	\$4,960,000	19	22	44	45	\$135,242	\$107,857	\$103,100	\$110,222
RMTAAC-CMP-004	\$2,462,464	\$2,487,350	\$1,751,358	\$2,709,817	38	26	17	19	\$64,802	\$95,667	\$103,021	\$142,622
RMTAAC-CMP-005	\$217,596	\$193,423	\$161,534	\$184,454	3	3	3	2	\$72,532	\$64,474	\$53,845	\$92,227
RMTAAC-CMP-006	\$2,654,498	\$1,457,710	\$1,419,780	\$1,603,955	14	14	11	10	\$189,607	\$104,122	\$129,071	\$160,396
RMTAAC-CMP-007	\$76,087,451	\$156,126,000	\$167,457,000	\$174,797,000	594	997	987	1,040	\$128,093	\$156,596	\$169,663	\$168,074
WTAAC-CMP-001	\$5,332,000	\$3,653,900	\$5,500,000	\$6,500,000	45	32	43	45	\$118,489	\$114,184	\$127,907	\$144,444
WTAAC-CMP-002	\$2,514,601	\$3,452,422	\$4,474,571	\$4,329,750	25	26	29	30	\$100,584	\$132,785	\$154,296	\$144,325
WTAAC-CMP-003	\$1,610,515	\$570,000	\$1,043,050	\$1,563,000	15	6	7	9	\$107,368	\$95,000	\$149,007	\$173,667
Total Average	\$11,894,273	\$21,978,117	\$24,789,368	\$26,441,473	95	136	137	145	\$125,203	\$161,604	\$180,944	\$182,355

- (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 2013, firms received \$9.7 million in technical assistance provided by the TAACs to prepare petitions and to develop and implement APs (often through business consultants and other experts). Firms participating in the program contributed \$6.2 million towards the development and implementation of APs. Funds are not provided directly to firms; instead, EDA funds the TAACs and TAACs pay a portion of the cost to secure specialized business consultants.

Exhibit 26: Summary of TAAF program Financial Assistance to Firms by TAAC: FY 2013

TAAC	Total TAAC Assistance to Firms²³	Financial Contribution by the Firms
Great Lakes	\$871,065	\$522,787
Mid-America	\$815,331	\$703,210
MidAtlantic	\$1,070,308	\$834,257
Midwest	\$1,418,687	\$1,058,531
New England	\$785,512	\$721,584
New York State	\$566,493	\$396,086
Northwest	\$1,026,144	\$454,994
Rocky Mountain	\$982,434	\$470,901
Southeastern	\$751,203	\$398,354
Southwest	\$678,145	\$421,274
Western	\$737,789	\$199,810
Total	\$9,703,111	\$6,181,788

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

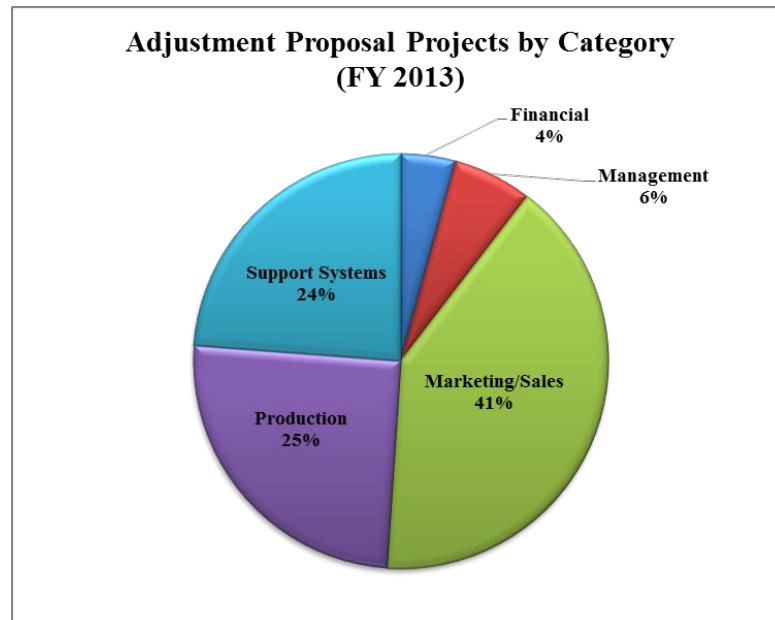
In FY 2013, firms proposed various types of projects in their APs. Marketing/sales projects are geared toward increasing revenue, whereas production/manufacturing projects tend to be geared toward cutting costs. Support system projects can provide a competitive advantage by either cutting costs or creating new sales channels. Management and financial projects are designed to improve management’s decision making ability and business control. Over half of all firms proposed to implement a marketing/sales project or production/engineering project in their APs. Sample projects are listed below in Exhibit 27.

²³ This does not include the amount expended by the TAACs for outreach to potential new firms.

Exhibit 27: Characteristics of Technical Assistance in APs: FY 2013

Project Classification	Sample Types of Projects	Number of AP Projects ²⁴	AP Project Costs
Financial	<ul style="list-style-type: none"> Accounting systems upgrade Cost control tracking system Automatic Data Processing development 	16	\$316,500
Management	<ul style="list-style-type: none"> Strategic business planning Succession management Management development 	23	\$442,000
Marketing/Sales	<ul style="list-style-type: none"> Sales process training Market expansion and feasibility Web site design and upgrade 	152	\$4,657,290
Production	<ul style="list-style-type: none"> Lean manufacturing and certification New product development Production and warehouse automation 	94	\$3,396,150
Support Systems	<ul style="list-style-type: none"> Enterprise Resource Planning Management Information Systems upgrades Computer Aided Design software Supply chain management software 	89	\$3,156,555

Exhibit 28: APs by Project Classification: FY 2013



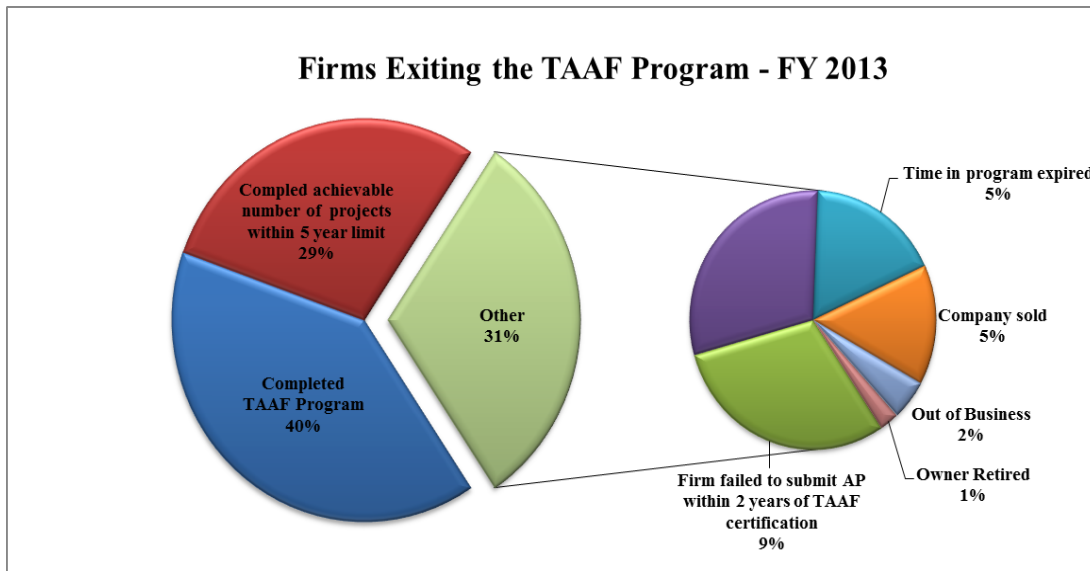
²⁴ A firm may have up to five projects in an approved AP.

(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 2013, of the 128 firms that left the TAAF program, 88 completed the program, with 37 of the 88 completing an achievable number of the planned projects in the five year project period allotted. The remaining 40 firms left for the reasons listed below in Exhibit 29.

Exhibit 29: Summary of Firms Leaving the TAAF program: FY 2013

Reason for Leaving Program	Number of Firms
Completed TAAF Program	51
Completed achievable number of projects within 5 year limit	37
Firm failed to submit AP within 2 years of TAAF certification	12
Firm inactive/lost interest in TAAF Program	12
Time in program expired	7
Company sold	6
Out of Business	2
Owner Retired	1
Total	128



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

On May 11, 2012, the OIG presented EDA with a copy of their letter to the House and Senate Committees on Appropriations reporting their findings related to an examination of the TAAC administrative costs²⁵. As part of their review, OIG obtained expenditure data from a sample of three TAACs – Western, New England, and New York State – focusing on the use of Federal funds provided by EDA. The OIG reported that it “did not determine that the level of administrative costs of the three TAACs to be unreasonable.”

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 (ICR) 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). Non-profit TAACs do not have ICR agreements; instead, they categorize similar expenditures in their “Other” line item of their Form SF-424.

Exhibit 30: Summary of Expenditures by TAAC Across Budget Categories: FY 2013

TAAC	Personnel (including Fringe Benefits)	Contracts (Federal Share)	Travel	Equipment and Supplies	Other	Indirect Costs ²⁶	Total TAAC Expenditures
Great Lakes	\$448,435	\$540,455	\$12,910	\$6,661	\$7,884	\$264,188	\$1,280,533
Mid-America	\$428,940	\$688,387	\$18,132	\$3,192	\$54,512	\$278,458	\$1,471,621
MidAtlantic	\$456,081	\$840,018	\$13,738	\$6,366	\$161,547	\$0	\$1,477,750
Midwest	\$705,588	\$1,179,260	\$14,178	\$11,625	\$146,255	\$0	\$2,056,906
New England	\$309,773	\$702,353	\$5,055	\$10,631	\$64,279	\$0	\$1,092,091
New York State	\$374,566	\$408,300	\$2,849	\$6,236	\$60,013	\$80,278	\$932,242
Northwest	\$487,703	\$536,449	\$15,762	\$6,150	\$183,709	\$0	\$1,229,773
Rocky Mountain	\$590,789	\$485,342	\$5,575	\$11,308	\$84,202	\$160,752	\$1,337,968
Southeastern	\$422,450	\$459,994	\$18,384	\$6,267	\$0	\$302,717	\$1,209,812
Southwest	\$556,948	\$463,237	\$16,254	\$16,141	\$9,938	\$123,277	\$1,185,795
Western	\$423,535	\$406,089	\$15,623	\$2,935	\$41,521	\$282,268	\$1,171,971
Total	\$5,204,808	\$6,709,884	\$138,460	\$87,512	\$813,860	\$1,491,938	\$14,446,462

²⁵ The information was requested in the House Committee Report that accompanied the FY 2013 Commerce, Justice, Science, and Related Agencies Appropriations bill. See <http://www.oig.doc.gov/Pages/Letters-to-Congress-re-Administrative-Costs-of-Trade-Adjustment-Assistance-Centers-2011.05.11.aspx>

²⁶ Non-profit TAACs do not have ICR agreements; instead, they categorize similar expenditures in their “Other” line item of their Form SF-424.

(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 2013, TAACs expended \$10.6 million in technical assistance provided to the firms in outreach to firms, 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 and TAACs pay a cost-shared proportion of the cost to secure specialized business consultants.

Exhibit 31: Summary of Expenditures - Technical Assistance to Firms by TAAC: FY 2013

TAAC	TAAC Expenditure - Outreach	TAAC Expenditures - Petitions	TAAC Expenditures - APs	Total TAAC Expenditures
Great Lakes	\$208,543	\$345,108	\$525,957	\$1,079,608
Mid-America	\$23,088	\$82,822	\$732,509	\$838,419
MidAtlantic	\$57,268	840,018	230,290	\$1,127,576
Midwest	\$166,687	\$239,429	\$1,179,258	\$1,585,374
New England	\$32,127	\$83,159	\$702,353	\$817,639
New York State	\$22,112	\$158,193	\$408,300	\$588,605
Northwest	\$79,755	\$489,696	\$536,448	\$1,105,899
Rocky Mountain	\$56,704	\$497,092	\$485,342	\$1,039,138
Southeastern	\$144,276	\$291,208	\$459,995	\$895,479
Southwest	\$17,875	\$229,362	\$448,783	\$696,020
Western	\$56,357	\$266,890	\$470,899	\$794,146
Total	\$864,792	\$3,522,977	\$6,180,134	\$10,567,903

“Addressing the challenges facing America’s manufacturing sector is absolutely essential both for our ability to employ skilled workers as well as for our ability to maintain our competitive edge in the world economy.”²⁷

Conclusion

EDA’s TAAF program produces strong results:

- From the time of certification to program completion, firms reported sales increased by 85 percent, employment increased by 43 percent, and productivity increased by 29 percent.
- One year after completing the program, firms reported that sales increased by 12.8 percent, average employment increased by 0.7 percent, and average productivity increased by 12 percent. By comparison to non-assisted similar firms, the U.S. Bureau of Labor Statistics (BLS) reports that, in FY 2012, the national manufacturing industry in aggregate experienced an average employment increase of 1.4 percent and average productivity increase of 1.3 percent from FY 2011.
- Two years after completing the program, firms reported that sales increased by 20.3 percent, average employment increased by 6.6 percent, and average productivity increased by 12.8 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2013 experienced an average employment increase of 0.4 percent and average productivity increase of 3.6 percent from FY 2011.
- Two years after the completion of assistance from the TAAF program, these same firms reported that from the time of *certification* in the program, on average, sales increased by 122.3 percent, employment increased by 52.6 percent, and productivity increased by 45.6 percent.
- All firms that completed the TAAF program in FY 2011 were in operation as of the end of FY 2013, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

²⁷ U.S. Secretary of Commerce Penny Pritzker’s testimony on Strengthening Innovation and Manufacturing for a 21st Century Economy, November 13, 2013.

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 50-year-old Indiana investment casting company was losing significant business to China and Korea, as several long-time customers moved some or all of their orders to foundries overseas. The firm learned about TAAF in late 2009 and was certified into the program in 2010. GLTAAC managed the development of an Adjustment Proposal (AP), working with the firm to develop business recovery strategies to facilitate improvements throughout the firm. The firm promptly began implementing the plan; and to date has completed three TAAF projects. These projects all focused on capacity-building within the firm – formalizing internal policies, improving its HR function, revamping its job costing, and training employees. With that groundwork done, the company has moved on to a truly transformative initiative. It is currently engaged in an Enterprise Resource Planning (ERP) implementation and next year will maximize this system's impact by extending it throughout the foundry's production operations. This effort will significantly reduce costs, improve productivity and facilitate new sales. GLTAAC will help with the front-end of the process, designing and implementing the new Information Technology (IT systems) needed in the foundry. Results from the TAAF projects completed to date have been impressive. The company is profitable again and both domestic and export sales and have grown – as has employment. In 2012, sales were almost \$30 million and employment was over 300. This firm will complete the program next year, at which time it will be well positioned to once again successfully compete in the global marketplace.

An Ohio injection molding firm credits the unique flexible structure of the TAAF program as being key to their success. After being certified for TAAF and developing an AP, the firm was about to start its first project through the program – a major market research, strategic planning, and tactical plan development effort – when another company asked the molder to partner with them to build a new line of proprietary products. This was completely unexpected and no provisions had been made in the AP to assist with the endeavor. Nevertheless, the molder believed the opportunity had the potential to transform the company, speed its recovery, and greatly improve its long-term viability. Therefore, the TAAF project was postponed so the firm could focus all of its efforts on the new product line. While the development of the new product line was successful, the core business was still floundering, and the company as a whole remained troubled. In 2010, the company shifted its energies to improving the core business through TAAF assistance identified in their AP. Over the next 3 years, the firm completed several projects, including the

development of a new website and the selection of an ERP system. Thanks to TAAF and large amount deal of hard work by the firm, they are now stabilized and growing, with sales at an all-time high, and productivity well above pre-program levels. The firm now employs about 135 workers has annual sales of over \$33 million.

Mid-America Trade Adjustment Assistance Center (MamTAAC)

A 30-year-old Arkansas manufacturer has received TAAF assistance since 2010. The firm produces cut-and-sew and related products, supplying the automotive industry with stitched accessories and production parts; the consumer market with nursing pillows, reusable diapers, heated motorcycle jackets and uniform shirts; and, in a new diversification, cargo bags for NASA. Several years ago, the company began losing sales to low-cost, lower-quality overseas manufacturers and had difficulty competing for new opportunities. As a result of consistent outreach efforts by MamTAAC and after overcoming the firm's initial resistance to become involved with a "government program," the firm began a multi-year effort to update obsolete business software, mount an associate training program and update their website for e-commerce. The president of the firm estimates that the company grew from about 150 to about 300 associates in the time they have worked with MamTAAC, and are continuing to grow, stating "We would not have this opportunity without the cost reductions enabled by the TAAF program."

A Kansas scale and bagging equipment manufacturer has been receiving assistance from MamTAAC since 2010. Initially the firm began as a parts supplier and over the years evolved into making sophisticated gross and net weight bagging scales; automatic bag hangers, bag closing and positioning and transfer conveyors; manual, automatic or semi-automatic palletizing equipment; and portable bagging. When foreign competition began to erode their market share, the company president met with a TAAC project manager and determined that the firm qualified for the program. With TAAF funds, the firm has implemented a broad array of projects including market research, trade show display materials and representation, and software upgrades. Currently, the firm is embarking on a new website with e-commerce capability. According to the company's general manager, securing the funds to properly market their products at trade shows opened doors helped to increase requests for quotes. "But the biggest project in my book was being able to assess our processes," he says, adding that while it is too soon to place a dollar amount on these improvements, he expects them to be significant.

MidAtlantic Trade Adjustment Assistance Center (MATAAC)

A Pennsylvania manufacturer of precision-machined pressure vessels, reactors, casks, and heavy walled components was in its fourth year of sales decline when it entered the TAAF program. Highly specialized machining, welding and fabrication are standard for makers of containers used in the transportation of spent nuclear fuel. Sales volume and employment were cut in half just three years prior to certification. The company implemented projects in the following areas that have helped them become more competitive and expand into new markets: As a direct consequence of engaging a marketing consultant, the firm gained entry into the petrochemical and other new markets resulting in over \$23 million in new sales; additionally, an outdated ERP (Enterprise Resource Planning) system was upgraded, helping the company to improve its control over its costs while improving productivity. Results

since entry into TAAF are impressive: Sales have grown from \$16.8 million to \$63 million. Productivity has increased more than 128 percent. Employment increased from 153 to 250 – more than 60 percent growth. Profits have grown from a \$4.3 million dollar loss to a \$5 million gain and ROHC (return on human capital) grew from (\$27,700) to \$20,000.

In Virginia a cryogenics equipment manufacturer was in its third year of decline when it entered the program. This was initiated when its major customer switched to Asian imports. More than 20 percent of its employees were let go as a direct consequence. The company's solution included the implementation of ISO certification funded by a cost-shared \$30,000 technical assistance grant through TAAF. Since entry in the TAAF program, sales have improved by more than 158 percent, employment has grown 78 percent and profits have increased by 36 percent.

Midwest Trade Adjustment Assistance Center (MWTAAAC)

An Illinois manufacturer of precision-machined metal parts used in the aviation, medical, and energy markets was experiencing increased competition from both European and Asian suppliers. Several key customers moved their purchases to overseas providers to take advantage of lower prices, resulting in a 48 percent decline in sales for the firm and forcing the firm to lay off workers. The company was certified into the TAAF program in July 2009. The manufacturer was able to enhance marketing tools with two projects, one in 2009 and the second in 2013 that helped attract new domestic and international customers. In addition, the firm was able to cost-share ISO certification in 2010, and new design and manufacturing software in 2012, which improved its efficiency and lowered its costs. As a result of utilizing the TAAF program, the manufacturer's sales have increased 33 percent and employment has increased 17 percent in four years

A Wisconsin manufacturer of custom metal enclosures faced declines due to import competition. The company investigated the TAAF program in 2009 after having a very challenging year. In 2009, the company had over 90 percent of their sales coming from one customer. When the recession hit, that one customer suffered, and so did company sales. The economic climate of 2010 was even more of a challenge and at one point, employment had declined from 18 to 7 workers. The company knew that they needed to diversify their customer base, but achieving that reality was a challenge. The firm used the TAAF program to: upgrade their CAD software which helped them to better communicate their ideas to customers; cost-share the development of a new website, which has doubled internet traffic; and design work on vehicle graphics, enabling the firm to communicate their brand image to customers. Future projects include an inventory control system and updating their accounting system. These measures are helping the firm become better at tracking data, controlling costs, and ultimately to become more competitive. Today the company has 21 employees and anticipates hiring another one or two in the near future. The firm's sales are up about 40 percent from where they were when they first engaged with the TAAF program. According to the company's Vice President and General Manager, "The TAA program was presented as a way to inject some life-blood into our business, and it has done just that. This program has been a God-send in that it has helped us to do things that would have otherwise been deferred due to the associated cost. I can confidently say that we are a much stronger, robust, and

polished business because of the activities we were able to implement through the TAAF program.”

New England Trade Adjustment Assistance Center (NETAAC)

A Connecticut metal finishing firm, the largest full-service metal finisher in the Northeast, experienced a significant decline in sales due to increased foreign competition and a shrinking domestic market. In 2010, the firm was certified for TAAF, and with the assistance of NETAAC, prepared an AP to fund projects such as leadership training, a new website, upgraded marketing materials, establish lean manufacturing, and NADCAP, a critical certification that could potentially open many new markets for the firm. After merging with another local Connecticut firm, they are now able to service a much larger market providing full-service metal finishing services. As a result of TAAF-funded technical assistance, the firm has become stronger and more competitive, increasing sales by 20 percent and adding 20 more jobs.

A New Hampshire hardwood lumber and flooring manufacturer that promotes sustainable forestry practices was adversely affected by growing foreign market competition from China and Canada. The firm had lost 25 percent of its business due to imports and employment was down 15 percent. In 2009, the firm was certified for TAAF and, with the assistance of NETAAC, prepared a business recovery plan (AP) to fund projects such as development of a strategic business plan, marketing and sales plan, export initiatives through the U.S. Commercial Service, MIS upgrades, and a process improvement program. As a result, the firm is now focusing on re-shoring efforts and committed to bringing jobs back to America.

New York State Trade Adjustment Assistance Center (NYSTAAC)

A New York state-of-the-art custom injection molding and blow molding firm was suffering from the adverse effects of foreign competition from China. The firm needed to react to the continual loss of market share to foreign competition and did not have a formal strategic-based sales and marketing plan in place, nor did it have the internal expertise to develop one. In order to effectively recover from the adverse effects of foreign competition, the firm sought technical assistance from NYSTAAC to develop a business recovery plan (AP) that included a formal sales and marketing plan and lean manufacturing program. In following the plan, the firm was able to increase sales by 12 percent to \$25 million, with an outlook for approximately 10 percent additional sales growth. This in turn has resulted in the firm planning to add 50 new employees and double manufacturing space to 125,000 square feet in the next three years.

A New York manufacturer of metal stamped machine parts sought technical assistance from NYSTAAC to develop a business recovery plan (AP) to address the adverse effects of customers outsourcing parts manufacturing to China. The firm reached out to the NYSTAAC and was certified eligible for TAAF in 2011. The AP addressed the most critical need of developing a website as a means to better market the firm’s precision manufacturing capabilities. This project has been very successful in increasing the firm’s visibility, even among current customers who were not aware of the full capabilities of the firm. Since the firm was certified for TAAF in 2011, the firm has experienced a 20 percent increase new customer quoting.

Northwest Trade Adjustment Assistance Center (NWTAAAC)

A Montana manufacturer of high performance laser diode and fiber optic control, test and measurement products used in research laboratories, telecommunication, and photonic production facilities received TAAF certification in 2005 based on a 74 percent increase in imports of these devices from China and Japan. Implementation of TAAF-funded projects such as extensive CE product testing, lean manufacturing and training, and sales market analysis and development over a five-year period have resulted in firm product expansion into European markets and increased penetration into China, Japan, and Korea. As a result of NWTAAAC assistance and TAAF-funded technical assistance, as of the end of 2011, employment has stabilized and sales have increased 48 percent since certification, with export sales now comprising 50 percent of total sales, a 22 percent increase since entering the program.

A Washington manufacturer of commercial grade baking, pizza and restaurant equipment and accessories was certified for TAAF in 2005 based on a 20 percent decline in sales resulting from increased imports from China. TAAF-funded technical assistance projects have included export expansion, new product development, MIS customization and training and website design. The firm adopted the strategy of developing and marketing new unique products, increasing production capacity and expanding marketing into Pacific/Asian markets. As a result of the TAAF-assisted projects, jobs have been retained, sales since certification have increased 176 percent and company product sales into overseas markets such as Australia and China have increased 50 percent since entering the program.

Rocky Mountain Trade Adjustment Assistance Center (RMTAAAC)

A New Mexico manufacturer of airplane parts for commercial and military aircraft was facing stiff competition from lower cost imported airplane parts from Canada, England, China, and Japan when the company was certified into the program in late 2009. The company was faltering and had laid off nearly 20 percent of its workforce in the two years prior to entering the TAAF program. RMTAAAC worked with the management team of the company to develop a successful adjustment plan that outlined strategic projects to expand marketing efforts and improve productivity. Since 2009, RMTAAAC has provided nearly \$42,000 in TAAF assistance to implement lean manufacturing systems to pare down costs and improve productivity, as well as customize the firm's information systems for more informed decision making. Marketing efforts were improved by adding a Customer Relationship Management module to its IT systems to track sales and better anticipate customer needs to build stronger, more profitable customer relationships. While import competition remains strong, the technical assistance provided through the TAAF program has helped this New Mexico manufacturer make substantial business improvements and add valuable, high paying manufacturing jobs to the community. The company has hired 31 new employees, a 36 percent increase in employment, since applying for the TAAF Program. The company's sales have increased by nearly \$3 million, a 27 percent increase during the same time frame.

A North Dakota manufacturer of commercial furniture entered into the TAAF program after suffering a decline in sales of 17 percent and decline in employment of 15 percent in recent

years. RMTAAC worked with the company to help the company develop and implement a plan to return to growth. One of the key issues facing the company was furniture products being sold in the U.S. market by Chinese competitors at below their cost to manufacture the goods, a so called “dumping” case that was certified by the U.S. International Trade Commission. The company qualified for \$60,000 in TAAF assistance, to be matched dollar for dollar by the company. In the face of this unfair competition, RMTAAC assisted the company with a strategic plan to improve its sales and marketing capabilities. By combining improved marketing impact with shorter delivery timeframes and superior quality, this manufacturer was able to create a product and service package that leveled the playing field against the overseas competition. The company has also continued to invest in technology. Radio frequency identification (RFID) chips are affixed to each piece of furniture, simplifying inventory and spare part procurement for its customers. Since entering into the TAAF program, the company has seen sales bounce back, increasing by nearly 47 percent. In addition, the company has been able to increase employment by 67 percent, adding nearly 50 good paying jobs. In September 2013, the company finished a 25,000 square foot addition to its production facility.

Southeastern Trade Adjustment Assistance Center (SETAAC)

In business since 1953, a Georgia producer of aluminum extrusion products, primarily for the building construction industry, entered the TAAF program in 2007 after suffering the effects of a poor U.S. economy and imports from China resulting in an overall reduction of profit margins and sales. Between 2006 and 2009 their main business in building construction decreased by 40 to 50 percent. The firm knew they had to diversify, address costs, and look at efficiencies. According to the company’s Division Manager, “Partnering with SETAAC allowed us to bring in consultants who helped us make the changes. The experience with the three consulting companies helped us transform from losing millions of dollars in 2008 and 2009 to now making a lot of money.” The firm completed the program in August 2012, completing nine projects and utilizing \$75,000 of federal funding provided by TAAF program. Projects included Lean Six Sigma training, leadership transformation, and executive coaching. In 2011, the company saved \$1.5 million, \$1.6 million in 2012, and projection savings of \$1 million in 2013. The firm has also realized an increase in sales of over \$23 million since certification.

Established in 1924, a North Carolina supplier to the upholstery furniture industry, with its core customers located in the North Carolina and southern Virginia, entered the TAAF program due to negative sales caused by import pressures, along with the housing economic downturn. The loss in revenue forced management to look at innovative options to improve their competitiveness. Upon learning about the assistance provided by the TAAF program, the firm contacted SETAAC. In June of 2010, the SETAAC team outlined key projects to help the firm increase its competitive edge. The firm’s recovery plan focused on process improvements, ERP system installation, and marketing enhancements which included assistance with the firm’s web site redesign. Following the web site update and modifications, annual sales have increased by over \$2 million annually and the firm has been able to add 9 additional employees. The SETAAC team is still currently working with this client who was awarded \$75,000 in funding.

Southwest Trade Adjustment Assistance Center (SWTAAC)

An Oklahoma manufacturer is a producer of wood shutters catering to both commercial and residential markets was facing stiff competition from lower cost imported from China, Mexico, Vietnam, Taiwan and Canada, with China is having the greatest negative effect on their business. According to the firm “China’s products are of lesser quality and poorer design, but much cheaper than American made products.” SWTAAC’s analysis diagnosed the firm as requiring assistance in their marketing, manufacturing and support systems areas. A combined recommendation of marketing strategy and production efficiency was outlined to strengthen the firm’s viability to compete in their industry. Technical assistance for a spectrum of sales tools was outlined that would result in increased revenues. The firm also warranted technical assistance in finishing product development of a state-of the-art, automatic remote wood shutter. This product would give them an advantage over the competition. Improvement in the firm’s information and management support systems was also warranted. Effective functional information was needed for the company’s real time utilization in determining critical decision-making and time management. Marketing projects were completed in website enhancement, marketing logistics and sales planning. After the firm completed some of the marketing projects, they quickly realized results. Their improved website with their improved photos and graphics boosted an increase of clientele activity. Sales started to improve. The firm also completed projects in management support systems. Consultant experts were engaged to work on the remote controlled shutter. There has been advancement on it. The marketing logistics put in place for the firm will help them promote and market the shutter. Analysis training on methods that would result in improving the efficiency in the areas of administrative and production reports were administered. The firm completed its targeted program projects and SWTAAC anticipates a favorable recovery rebound for this firm.

A Texas producer of commercial air vents was introduced to SWTAAC in 2012 through a referral from a local industrial foundation and was certified for the TAAF the same year. The funding played a pivotal role in modernizing their workforce and updating their systems to better compete against overseas competitors, specifically Chinese firms. The firm has recently completed four projects using TAAF-funded assistance. First, a \$60,000 Lean implementation project completed after eight months. This project resulted in better trained production level employees using a manufacturing system and lower inventory levels on finished goods and raw materials, which in turn increased cash to take on new business and projects. Second, a production reporting system was completed. This project resulted in better visibility of daily production in their three facilities, reduction in inventory by avoiding over production and more accurate and real time picture of production performance. Third, a financial plan to complement their long term strategic plan was implemented. This project resulted in better visibility of future cash requirements and better financial planning and budgeting to accommodate their growth. Finally, a new direct-to-consumer website was completed. This project resulted in access to a new high margin market to sell their product directly to consumers and positioning the company to grow a new profitable product line in the long term and increased customer feedback that enables the company to be more competitive in the overall marketplace.

Western Trade Adjustment Assistance Center (WTAAC)

This Arizona firm is a tribal entity that produces ready-mix concrete, construction aggregates, crushed granite landscaping rock and sports field material, and USGA golf course sand produced for construction applications. The firm faced increasing foreign competition from lower cost import ready-mix concrete products, particularly Mexico. In the two years prior to the firm's certification for TAAF in 2010, annual sales decreased 64 percent to \$20.3 million and employment decreased 47 percent to 121. The firm's management, with assistance from WTAAC developed a strategy to re-focus its business on improvements in energy utilization and operational efficiency while continuing to minimize costs in order to position the firm for the construction industry recovery. The firm plans include undertaking marketing research to identify new products that utilize available resources and materials to broaden their markets to larger geographic areas and provide higher margins. The firm, in its second year of the implementation phase of the TAAF program, has successfully implemented one information technology project. Since beginning its public-private sector partnership with the TAAF program, sales have increased 74 percent to \$35 million, employment has increased 9 percent to 132 employees and productivity has improved 13 percent to \$272,000 sales per employee.

A California firm specializing in fully integrated design, analysis, manufacturing and testing for new concept products entered the TAAF program in 2008. The firm provides entrepreneurial product development, commercial and private aircraft modifications, and conceptual aircraft designs for both military and commercial ventures. From 2006 through 2008 the firm suffered from continued shrinking market share due to increasing low cost castings from offshore competitors. As a result, sales decreased 8 percent and employment decreased 29 percent during this period. In partnership with WTAAC, the firm's management developed a strategy to position itself as a preferred contract manufacturer of choice for the aerospace industry OEM customers. The firm planned to target high technology companies that require combined state-of-the-art conceptual design and testing, prototype development, and limited production capabilities. The strategy would focus on enhancing its marketing and sales capabilities, expanding and enhancing its engineering support capabilities, enhancing its production and quality capabilities, and strengthening its IT support capabilities. The firm is in its fourth year of the implementation phase of the TAAF program, and has successfully implemented three marketing projects. Since beginning its public-private sector partnership with the TAAF program, sales have increased 180 percent to \$621,000, employment has increased 40 percent to 7 employees and productivity has improved 100 percent, to \$89,000 sales per employee.