

**FISCAL YEAR 2014  
ANNUAL REPORT TO CONGRESS**

**TRADE ADJUSTMENT ASSISTANCE FOR FIRMS  
PROGRAM**

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



## 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) 2014, 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 2013<sup>1</sup> Annual Report, along with a positive report by the U.S. Government Accountability Office in FY 2012<sup>2</sup>. 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 at the end of this report.

In order to assess the effectiveness of the TAAF program, EDA evaluates the extent to which client firms increased their sales, 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<sup>3</sup> (sales per employee) 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 2012, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

By comparison to similar non-assisted U.S. firms, the national manufacturing industry in aggregate experienced relatively similar performance at the one year mark, while TAAF-assisted firms outpaced others two years after completing the program. In FY 2014, firms participating in the TAAF program reported that upon completion of the TAAF program in FY 2012, average sales were \$16.8 million, average employment was 85 and average sales per employee (productivity) were \$197,875.

One year after completing the program (FY 2013), these same firms reported that average sales and productivity grew, while employment experienced a slight decline. Average

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<sup>1</sup> See EDA’s FY 2013 TAAF Annual Report, available at [www.eda.gov](http://www.eda.gov).

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

<sup>3</sup> Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee was chosen as the productivity measure. This measure is used because it can be generally applied to all certified firms.

sales increased by 2 percent, average productivity increased by 3 percent, and average employment decreased by 1 percent. By comparison to similar non-assisted U.S. firms, the U.S. Bureau of Labor Statistics (BLS) reports that in FY 2013, the national manufacturing industry in aggregate experienced an average employment increase of 0.4 percent<sup>4</sup> from FY 2012.

Two years after completing the program (FY 2014), these same firms reported continued growth in sales and productivity as well as gains in employment. Average sales increased by 14 percent, average productivity increased by 4 percent, and average employment increased by 9 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2014 experienced an average employment increase of only 2 percent from FY 2012. Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole.

Additionally, all TAAF-assisted firms that completed the program in FY 2012 were in operation at the end of FY 2014, 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 firms<sup>5</sup> 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 Trade and Globalization Adjustment Assistance Act of 2009 (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.

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<sup>4</sup> BLS measures productivity by labor productivity (output per hour) versus sales over employment; and does not collect a sales measure comparable to EDA’s measure in this report.

<sup>5</sup> 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 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 to participating firms in FY 2014 were marketing/sales improvement and production/engineering projects, which comprised over half of all projects supported throughout the year. TAACs reported that 19 percent of all AP projects approved included projects explicitly for the purpose of assisting the firm with developing or increasing export opportunities.

As of September 30, 2014, 842 active firms with combined sales of \$12.7 billion and a workforce of 70,436 participated in the TAAF program. In FY 2014, TAACs provided technical assistance to 361 firms in preparing petitions, 120 firms in preparing APs, and 919 firms in implementing projects within their APs. Meanwhile, EDA certified 105 petitions and approved 107 APs.

EDA successfully met both the 60-day processing deadline (to make a final determination for petitions accepted for filing) and the 60-day processing deadline for approval of APs, as required by statute. In FY 2014, the average processing time for petitions was 17 business days, and the average processing time for APs was 20 business days.

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## Introduction

This report is provided in compliance with Section 255A of chapter 3 of title II of the Trade Act, as amended (19 U.S.C. § 2341 et seq.). Section 255A of the Trade Act directs the Secretary of Commerce to provide an annual report on the Trade Adjustment Assistance for Firms (TAAF) program by the 15<sup>th</sup> 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 organization<sup>6</sup>, state, and national totals<sup>7</sup>, to the extent that the data are available on the following 19 measures:

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

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<sup>6</sup> “Intermediary Organization” referred to in section 253(b)(1) are the Trade Adjustment Assistance Centers (TAACs).

<sup>7</sup> See chapter 3 of title II of the Trade Act, section 255A (b) *Classification of Data*.

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

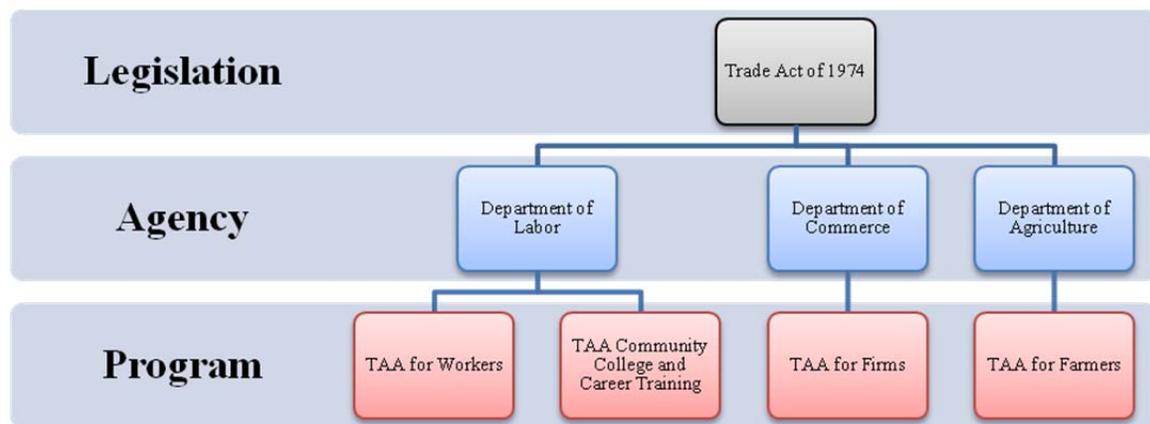
## Program Description

*“The 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 percent more than their counterparts in other sectors.”<sup>8</sup>*

*– U.S. Secretary of Commerce Penny Pritzker*

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

Exhibit 1: TAA Programs



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

The mission of the TAAF program is to help U.S. firms regain competitiveness in the global economy. The 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.

Import-impacted U.S. manufacturing and production firms<sup>9</sup> can receive direct technical assistance through matching funds provided to Trade Adjustment Assistance Centers

<sup>8</sup> [U.S. Secretary of Commerce Penny Pritzker’s testimony on Strengthening Innovation and Manufacturing for a 21st Century Economy, November 13, 2013.](#)

<sup>9</sup> Under the TAAEA, 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.

(TAACs), which the TAACs then use to match the costs for third-party consultants to help firms expand markets, strengthen operations and increase competitiveness. Funds are not provided directly to firms.

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

The national network of 11 independent non-profit or university-affiliated TAACs serve U.S. manufacturing 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 2: TAACs and their Respective Service Areas

<b>TAAC</b>	<b>Service Areas</b>
Great Lakes	Indiana, Michigan and Ohio
Mid-America	Arkansas, Kansas and Missouri
Mid-Atlantic	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia
Midwest	Illinois, Iowa, Minnesota and Wisconsin
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont
New York State	New York
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

### Exhibit 3: Program Phases



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

#### **Phase I - Petitioning for Certification**<sup>10</sup>

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

Upon receipt of the petition, EDA performs an analysis of the petition and supporting documents to determine if the petition is complete and may be accepted. EDA is required to make a final determination on the petition within 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 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.

<sup>10</sup> Upon the enactment of the TAAEA, 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.

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

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

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

- Assisting firms in preparing 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.

## 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 2014. 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 2014, the TAACs received 1,763 inquiries about the program.

Exhibit 4: Inquiries about the TAAF program by TAAC

<b>TAAC</b>	<b>No. of Firms that Inquired about the TAAF program</b>
Great Lakes	79
Mid-America	251
Mid-Atlantic	26
Midwest	70
New England	46
New York State	61
Northwest	130
Rocky Mountain	202
Southeastern	225
Southwest	160
Western	513
<b>Total</b>	<b>1,763</b>

- (2) The number of petitions filed under section 251.**
- (3) The number of petitions certified and denied by the Secretary.**
- (4) The average time for processing petitions after the petitions are filed.**

EDA received 110 petitions, a 6 percent increase, compared to the number of petitions received in FY 2013. EDA filed (accepted for investigation) 102 petitions under section 251 of the Trade Act, a 3 percent decrease, compared to the number of petitions accepted in FY

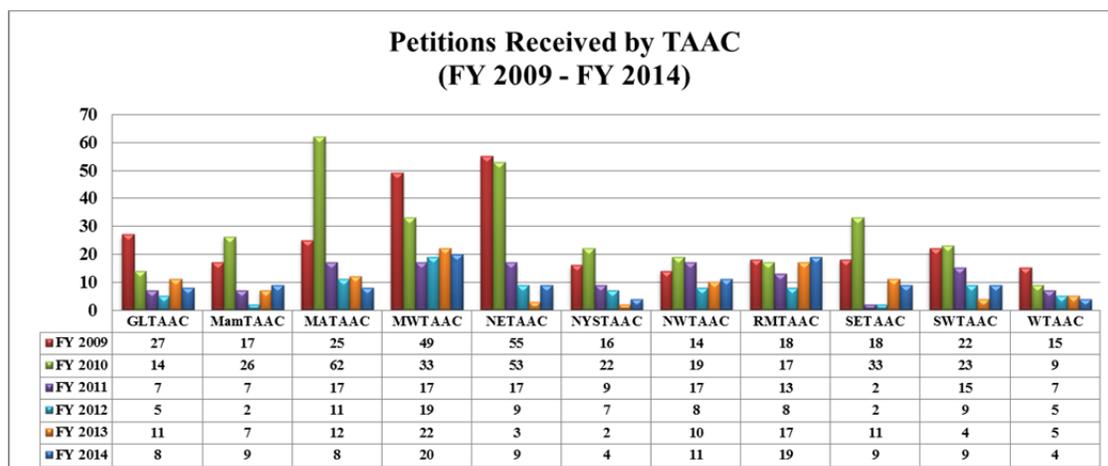
2013. EDA certified 105 petitions, equivalent to the number of certifications in FY 2013<sup>11</sup>. Petitions are certified on a rolling basis throughout the year. Petitions certified in FY 2014 may be the result of those received or filed (accepted) in FY 2014, while petitions received or filed (accepted) in FY 2014 may not result in certification in FY 2014.

EDA's average processing time for petitions (from acceptance to certification) was 17 business days, a 32 percent decrease compared to the average processing time for petitions in FY 2013. EDA is required to process petitions for certification within 60 days of acceptance.

Exhibit 5: Petition Activity: FY 2009 – FY 2014<sup>12</sup>

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
2014	110	102	105	1	10	17	26
<b>% Change (2013 to 2014)</b>	<b>6%</b>	<b>(3)%</b>	<b>0%</b>	<b>0%</b>	<b>(23%)</b>	<b>(32%)</b>	<b>(30%)</b>

Exhibit 6: Petitions Received by TAAC: FY 2009 – FY 2014



<sup>11</sup> 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.

<sup>12</sup> Petitions are certified on a rolling basis throughout the year, therefore activity in these categories may not result in certification within the same FY. These totals represent the activity under each category within FY 2014.

Exhibit 7: Petitions Accepted by TAAC: FY 2009 – FY 2014

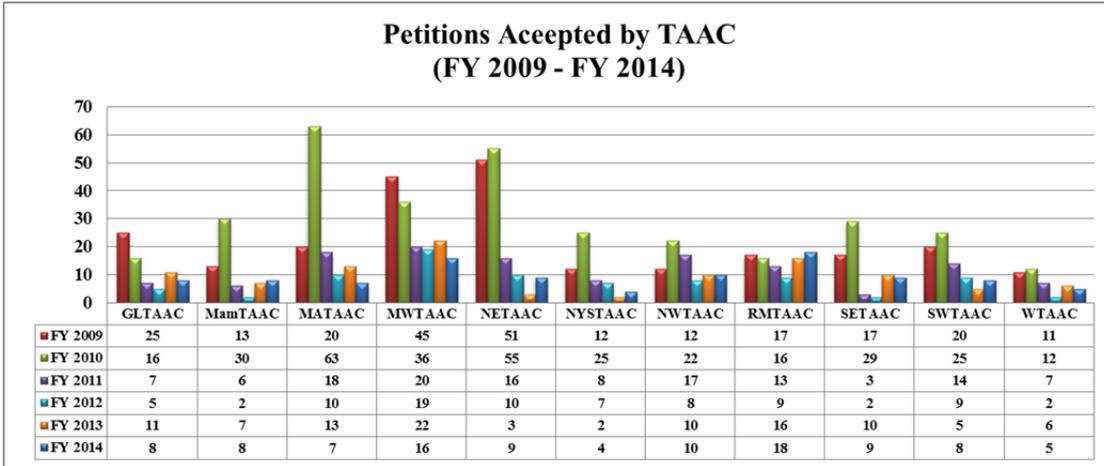


Exhibit 8: Petitions Certified by TAAC: FY 2009 – FY 2014

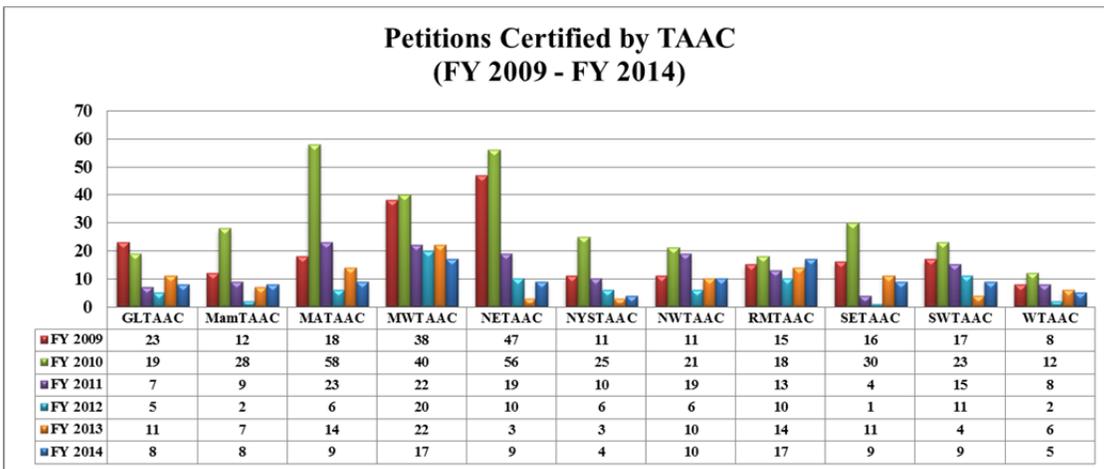


Exhibit 9: Petitions Received, Accepted, and Certified by TAAC: FY 2014

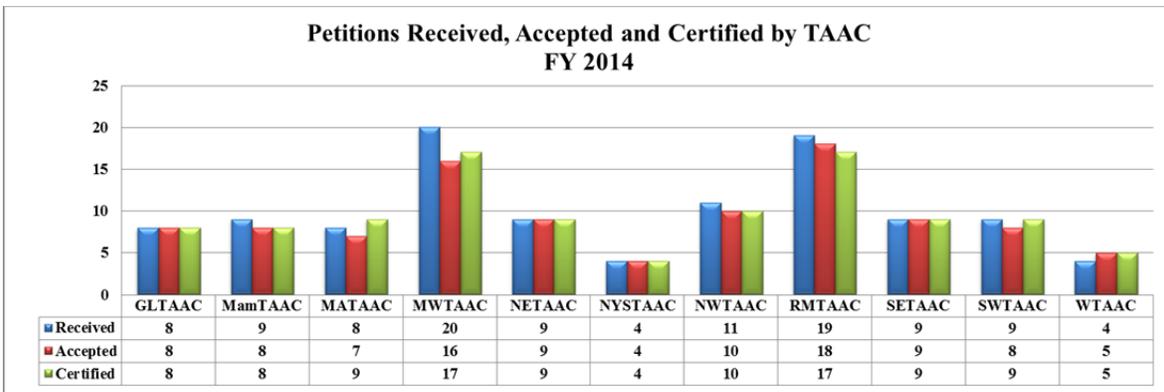


Exhibit 10: Petitions Received, Accepted, and Certified by TAAC/State: FY 2014

TAAC/State	Petitions Received	Petitions Accepted	Petitions Certified
<b>Great Lakes</b>	<b>8</b>	<b>8</b>	<b>8</b>
IN	2	2	2
MI	4	4	4
OH	2	2	2
<b>Mid-America</b>	<b>9</b>	<b>8</b>	<b>8</b>
AR	0	0	0
KS	1	1	0
MO	8	7	8
<b>MidAtlantic</b>	<b>8</b>	<b>7</b>	<b>9</b>
DC	0	0	0
DE	0	0	0
MD	0	0	0
NJ	0	0	0
PA	8	7	9
VA	0	0	0
WV	0	0	0
<b>Midwest</b>	<b>20</b>	<b>16</b>	<b>17</b>
IA	1	1	1
IL	12	10	10
MN	3	2	2
WI	4	3	4
<b>New England</b>	<b>9</b>	<b>9</b>	<b>9</b>
CT	3	2	2
MA	4	5	5
ME	1	1	1
NH	0	0	0
RI	1	1	1
VT	0	0	0
<b>New York State</b>	<b>4</b>	<b>4</b>	<b>4</b>
NY	4	4	4
<b>Northwest</b>	<b>11</b>	<b>10</b>	<b>10</b>
AK	1	1	0
ID	1	1	1
MT	0	0	0
OR	3	3	3
WA	6	5	6

<b>TAAC/State</b>	<b>Petitions Received</b>	<b>Petitions Accepted</b>	<b>Petitions Certified</b>
<b>Rocky Mountain</b>	<b>19</b>	<b>18</b>	<b>17</b>
CO	10	9	7
ND	4	3	3
NE	0	0	0
NM	0	0	0
SD	2	2	2
UT	3	4	5
WY	0	0	0
<b>Southeastern</b>	<b>9</b>	<b>9</b>	<b>9</b>
AL	1	1	1
FL	1	0	0
GA	3	4	4
KY	1	1	1
MS	1	1	1
NC	2	2	2
SC	0	0	0
TN	0	0	0
PR	0	0	0
<b>Southwest</b>	<b>9</b>	<b>8</b>	<b>9</b>
LA	2	1	1
OK	1	1	1
TX	6	6	6
<b>Western</b>	<b>4</b>	<b>5</b>	<b>5</b>
AZ	0	0	0
CA	4	5	5
NV	0	0	0
<b>Total</b>	<b>110</b>	<b>102</b>	<b>105</b>

The majority (96 percent) of petitions certified under the TAAF program were submitted by firms in the manufacturing sector. Other industries included transportation, wholesale trade, and technical services.<sup>13</sup> One service sector firm was certified for TAAF assistance in FY 2014. Service sector firms were no longer eligible for TAAF assistance after December 31, 2013<sup>14</sup>.

Exhibit 11: Firms Certified for TAAF by Industry: FY 2014

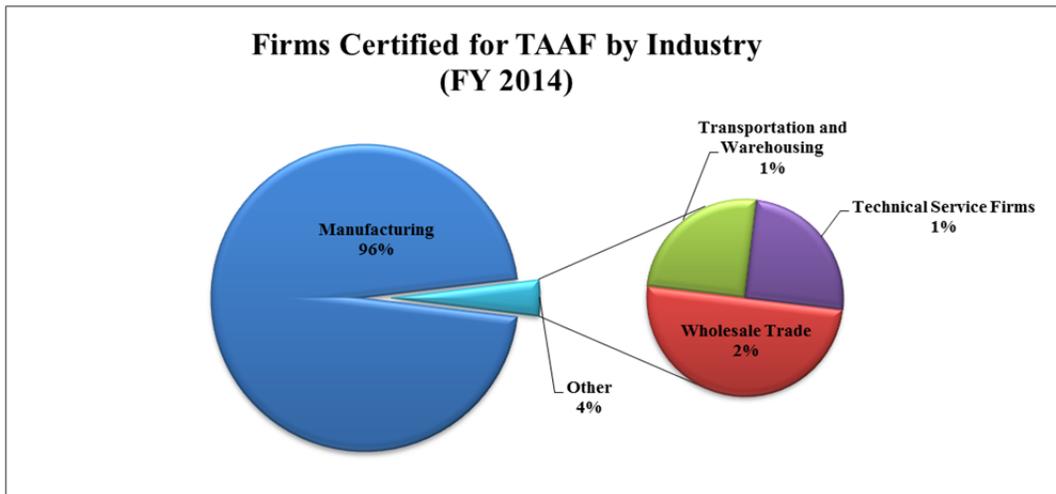


Exhibit 12: Firms Certified for TAAF by Sector: FY 2014

FY	Total No. of Firms Certified	Manufacturing Firms	Percentage of Manufacturing Firms Certified	Service Firms	Percentage of Service Firms Certified	Other Firms	Percentage of Other Firms Certified
2014	105	101	96%	1	1%	3	3%

**(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 2014

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
Great Lakes	8	8
IN	2	2
2	1	1
8	1	1

<sup>13</sup> As identified by North American Industry Classification System (NAICS) codes.

<sup>14</sup> Ibid. Footnote 9.

<b>TAAC/State Congressional District</b>	<b>Petitions Accepted</b>	<b>Petitions Certified</b>
<b>MI</b>	<b>4</b>	<b>4</b>
2	1	1
4	1	1
7	1	1
13	1	1
<b>OH</b>	<b>2</b>	<b>2</b>
3	1	1
14	1	1
<b>Mid-America</b>	<b>8</b>	<b>8</b>
<b>AR</b>	0	0
<b>KS</b>	<b>1</b>	<b>0</b>
1	1	0
<b>MO</b>	<b>7</b>	<b>8</b>
2	1	2
3	4	4
4	1	1
5	1	1
<b>MidAtlantic</b>	<b>7</b>	<b>9</b>
<b>DC</b>	0	0
<b>DE</b>	0	0
<b>NJ</b>	0	0
<b>PA</b>	<b>7</b>	<b>9</b>
3	1	1
4	2	3
7	1	1
8	1	1
9	0	1
15	1	1
16	1	1
<b>VA</b>	0	0
<b>WV</b>	0	0
<b>Midwest</b>	<b>16</b>	<b>17</b>
<b>IA</b>	<b>1</b>	<b>1</b>
2	1	1
<b>IL</b>	<b>10</b>	<b>10</b>
4	1	1

<b>TAAC/State Congressional District</b>	<b>Petitions Accepted</b>	<b>Petitions Certified</b>
5	1	1
6	2	2
6	2	2
7	1	1
8	2	2
9	2	2
14	1	1
<b>MN</b>	<b>2</b>	<b>2</b>
3	1	1
5	1	1
<b>WI</b>	<b>3</b>	<b>4</b>
2	1	2
5	1	1
6	1	1
<b>New England</b>	<b>9</b>	<b>9</b>
<b>CT</b>	<b>2</b>	<b>2</b>
2	1	1
5	1	1
<b>MA</b>	<b>5</b>	<b>5</b>
3	2	2
6	2	2
7	1	1
<b>ME</b>	<b>1</b>	<b>1</b>
1	1	1
<b>NH</b>	<b>0</b>	<b>0</b>
<b>RI</b>	<b>1</b>	<b>1</b>
2	1	1
<b>VT</b>	<b>0</b>	<b>0</b>
<b>New York State</b>	<b>4</b>	<b>4</b>
<b>NY</b>	<b>4</b>	<b>4</b>
2	1	1
25	1	1
27	2	2
<b>Northwest</b>	<b>10</b>	<b>10</b>
<b>AK</b>	<b>1</b>	<b>1</b>
At-Large	1	1

<b>TAAC/State Congressional District</b>	<b>Petitions Accepted</b>	<b>Petitions Certified</b>
<b>ID</b>	<b>1</b>	<b>1</b>
1	1	1
<b>MT</b>	0	0
<b>OR</b>	<b>3</b>	<b>3</b>
2	1	1
3	1	1
5	1	1
<b>WA</b>	<b>5</b>	<b>6</b>
1	1	1
2	2	2
5	1	1
8	0	1
10	1	1
<b>Rocky Mountain</b>	<b>18</b>	<b>17</b>
<b>CO</b>	<b>9</b>	<b>7</b>
1	1	0
2	2	3
3	3	3
5	1	0
6	1	0
7	1	1
<b>ND</b>	<b>3</b>	<b>3</b>
At-Large	3	3
<b>NM</b>	0	0
<b>SD</b>	<b>2</b>	<b>2</b>
At-Large	2	2
<b>UT</b>	<b>4</b>	<b>4</b>
1	2	2
2	0	1
3	2	2
<b>WY</b>	0	0
<b>Southeastern</b>	<b>9</b>	<b>9</b>
<b>AL</b>	<b>1</b>	<b>1</b>
7	1	1
<b>FL</b>	0	0
<b>GA</b>	<b>4</b>	<b>4</b>

TAAC/State Congressional District	Petitions Accepted	Petitions Certified
1	1	1
9	1	1
10	1	1
14	1	1
<b>KY</b>	<b>1</b>	<b>1</b>
4	1	1
<b>MS</b>	<b>1</b>	<b>1</b>
3	1	1
<b>NC</b>	<b>2</b>	<b>2</b>
7	2	2
<b>PR</b>	<b>0</b>	<b>0</b>
<b>SC</b>	<b>0</b>	<b>0</b>
<b>TN</b>	<b>0</b>	<b>0</b>
<b>Southwest</b>	<b>8</b>	<b>9</b>
<b>LA</b>	<b>1</b>	<b>2</b>
1	0	1
2	1	1
<b>OK</b>	<b>1</b>	<b>1</b>
1	1	1
<b>TX</b>	<b>6</b>	<b>6</b>
2	1	1
10	1	1
11	1	1
12	1	1
32	1	1
35	1	1
<b>Western</b>	<b>5</b>	<b>5</b>
<b>AZ</b>	<b>0</b>	<b>0</b>
<b>CA</b>	<b>5</b>	<b>5</b>
26	1	1
32	1	1
39	1	1
47	1	1
51	1	1
<b>AZ</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>102</b>	<b>105</b>

(6) **Of the number of petitions filed, the number of firms that entered the program and received benefits<sup>15</sup>.**

In FY 2014, 102 petitions were accepted (filed) for certification and 105 were certified. Of the 105 firms certified in FY 2014, 73 firms submitted and were approved for an AP *in the same fiscal year*<sup>16</sup>. An additional 34 firms that were certified for TAAF in previous fiscal years were also approved for an AP in FY 2014.

Exhibit 14: Petitions Certified and APs Approved: FY 2014

TAAC	No. of Petitions Accepted	No. of Petitions Certified	No. of APs Approved for Firms Certified in FY 2014
Great Lakes	8	8	2
Mid-America	8	8	8
MidAtlantic	7	9	5
Midwest	16	17	15
New England	9	9	7
New York State	4	4	3
Northwest	10	10	7
Rocky Mountain	18	17	13
Southeastern	9	9	6
Southwest	8	9	4
Western	5	5	3
<b>Total</b>	<b>102</b>	<b>105</b>	<b>73</b>

Exhibit 15: TAAF Assistance to Firms: FY 2014

In FY 2014, 1,184 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	95
Mid-America	45
MidAtlantic	111

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

<sup>16</sup> Firms have up to two years from the date of TAAF certification to submit a business recovery plan (AP). *These totals represent the firms certified for TAAF in FY 2014 that also submitted and received an approved business recovery plan in the same fiscal year.* The total number of APs approved in FY 2014 is reported in Exhibits 19, 20 and 21.

<b>TAAC</b>	<b>TAAF Assistance</b>
Midwest	259
New England	125
New York State	78
Northwest	72
Rocky Mountain	117
Southeastern	126
Southwest	114
Western	42
<b>Total</b>	<b>1,184</b>

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

In FY 2014, 361 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 2014

<b>TAAC</b>	<b>Petition Assistance</b>
Great Lakes	16
Mid-America	5
MidAtlantic	21
Midwest	117
New England	13
New York State	37
Northwest	17
Rocky Mountain	43
Southeastern	61
Southwest	20
Western	11
<b>Total</b>	<b>361</b>

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

In FY 2014, 120 firms received assistance in developing APs and 919 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 2014

TAAC	AP Development Assistance
Great Lakes	13
Mid-America	9
MidAtlantic	15
Midwest	18
New England	7
New York State	6
Northwest	11
Rocky Mountain	18
Southeastern	11
Southwest	7
Western	5
<b>Total</b>	<b>120</b>

Exhibit 18: AP Implementation Activity: FY 2014

TAAC	AP Implementation Assistance
Great Lakes	80
Mid-America	42
MidAtlantic	65
Midwest	167
New England	125
New York State	43
Northwest	61
Rocky Mountain	86
Southeastern	54
Southwest	162
Western	34
<b>Total</b>	<b>919</b>

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

In FY 2014, EDA approved 107 APs, a decrease of 6 percent compared to FY 2013<sup>17</sup>. EDA successfully met the 60-day processing deadline for approval of APs. The average processing time for APs was 20 business days, a 33 percent increase compared to FY 2013<sup>18</sup>.

<sup>17</sup> Ibid. Footnote 11.

<sup>18</sup> Firms have two years from the date of certification to submit an AP to EDA. APs approved in FY 2014 may represent firms that were certified for TAAF between FY 2012 – FY 2014.

Exhibit 19: Summary of APs Approved: FY 2009 – FY 2014

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
2014	107	\$5,354,065	\$4,955,057	\$10,309,092	\$54,325	20
Total	835	\$49,548,583	\$47,021,645	\$96,570,227	\$59,340	19
% Change (2013 to 2014)	(6)%	(14)%	(14)%	(14)%	(8)%	33%

Exhibit 20: APs Approved by TAAC: FY 2009 – FY 2014

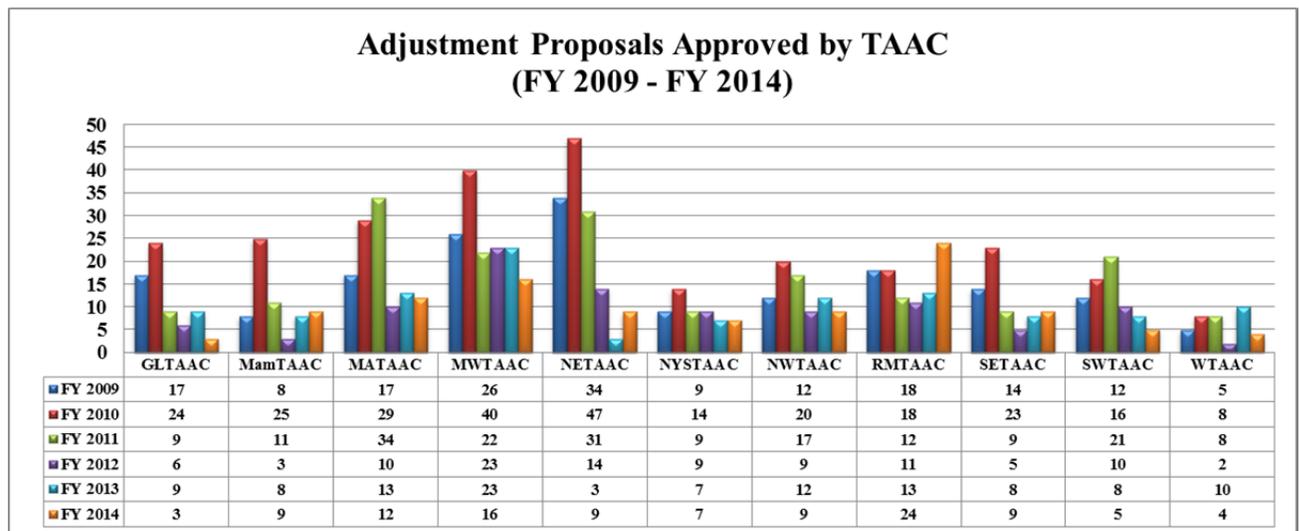


Exhibit 21: APs Approved by TAAC/State: FY 2014

TAAC/State	No. of APs Approved	Government Share of Approved AP Projects	Firm Share of Approved AP Projects	Total Approved AP Projects
<b>Great Lakes</b>	<b>3</b>	<b>\$120,000</b>	<b>\$90,000</b>	<b>\$210,000</b>
IN	1	\$22,500	\$7,500	\$30,000
MI	2	\$97,500	\$82,500	\$180,000

TAAC/State	No. of APs Approved	Government Share of Approved AP Projects	Firm Share of Approved AP Projects	Total Approved AP Projects
<b>Mid-America</b>	<b>9</b>	<b>\$412,500</b>	<b>\$337,500</b>	<b>\$750,000</b>
MO	9	\$412,500	\$337,500	\$750,000
<b>MidAtlantic</b>	<b>12</b>	<b>\$499,000</b>	<b>\$484,000</b>	<b>\$983,000</b>
PA	12	\$499,000	\$484,000	\$983,000
<b>Midwest</b>	<b>16</b>	<b>\$858,720</b>	<b>\$783,719</b>	<b>\$1,642,439</b>
IA	1	\$75,000	\$75,000	\$150,000
IL	10	\$556,156	\$511,155	\$1,067,311
MN	2	\$75,001	\$60,001	\$135,002
WI	3	\$152,563	\$137,563	\$290,126
<b>New England</b>	<b>9</b>	<b>\$437,500</b>	<b>\$392,500</b>	<b>\$830,000</b>
CT	3	\$122,500	\$107,500	\$230,000
MA	3	\$172,500	\$157,500	\$330,000
ME	2	\$82,500	\$67,500	\$150,000
RI	1	\$60,000	\$60,000	\$120,000
<b>New York State</b>	<b>7</b>	<b>\$407,000</b>	<b>\$407,000</b>	<b>\$814,000</b>
NY	7	\$407,000	\$407,000	\$814,000
<b>Northwest</b>	<b>9</b>	<b>\$400,565</b>	<b>\$346,588</b>	<b>\$747,153</b>
ID	1	\$75,000	\$75,000	\$150,000
OR	2	\$42,100	\$27,100	\$69,200
WA	6	\$283,465	\$244,488	\$527,953
<b>Rocky Mountain</b>	<b>24</b>	<b>\$1,285,000</b>	<b>\$1,285,000</b>	<b>\$2,570,000</b>
CO	12	\$510,000	\$510,000	\$1,020,000
ND	3	\$175,000	\$175,000	\$350,000
NE	1	\$100,000	\$100,000	\$200,000
SD	3	\$155,000	\$155,000	\$310,000
UT	5	\$345,000	\$345,000	\$690,000
<b>Southeastern</b>	<b>9</b>	<b>\$483,750</b>	<b>\$438,750</b>	<b>\$922,500</b>
AL	2	\$97,500	\$82,500	\$180,000
GA	3	\$120,000	\$90,000	\$210,000
KY	1	\$75,000	\$75,000	\$150,000
MS	1	\$75,000	\$75,000	\$150,000
NC	2	\$116,250	\$116,250	\$232,500
<b>Southwest</b>	<b>5</b>	<b>\$322,500</b>	<b>\$307,500</b>	<b>\$630,000</b>
LA	3	\$172,500	\$157,500	\$330,000
TX	2	\$150,000	\$150,000	\$300,000
<b>Western</b>	<b>4</b>	<b>\$127,500</b>	<b>\$82,500</b>	<b>\$210,000</b>
CA	4	\$127,500	\$82,500	\$210,000
<b>Total</b>	<b>107</b>	<b>\$5,354,035</b>	<b>\$4,955,057</b>	<b>\$10,309,092</b>

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

In FY 2014, 126 firms exited the TAAF program after being approved for an AP. Nationally, firms receive on average 62 months<sup>19</sup> of benefits under the TAAF program.

Exhibit 22: Average Duration of Benefits Received – Firms that Completed Program: FY 2014 by TAAC (Region)/Firm

<b>TAAC</b>	<b>Average No. of Months Firms Received Benefits Under TAAF program by TAAC</b>
Great Lakes	64
Mid-America	52
MidAtlantic	77
Midwest	56
New England	56
New York State	62
Northwest	63
Rocky Mountain	71
Southeastern	58
Southwest	62
Western	65
<b>Total</b>	<b>62</b>

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

As of the end of FY 2014, 842 active firms with combined sales of \$12.7 billion and a workforce of 70,436 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.

<sup>19</sup> 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.

Exhibit 23: Sales, Employment, and Productivity<sup>20</sup> at All Firms Participating in the TAAF Program in FY 2014 by TAAC and State:

TAAC/State	Total No. of Active Firms in FY 2014	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
<b>Great Lakes</b>	<b>84</b>	<b>\$1,923,343,003</b>	<b>10,722</b>	<b>\$179,383</b>
IN	25	\$336,171,086	2,774	\$121,186
MI	33	\$592,114,011	2,552	\$232,020
OH	26	\$995,057,906	5,396	\$184,407
<b>Mid-America</b>	<b>35</b>	<b>\$250,507,322</b>	<b>2,490</b>	<b>\$100,605</b>
AR	3	\$10,491,606	208	\$50,440
KS	7	\$35,762,503	436	\$82,024
MO	25	\$204,253,213	1,846	\$110,646
<b>MidAtlantic</b>	<b>85</b>	<b>\$922,754,272</b>	<b>6,208</b>	<b>\$148,640</b>
MD	1	\$3,323,141	26	\$127,813
NJ	5	\$30,674,555	250	\$122,698
PA	77	\$876,215,257	5,751	\$152,359
VA	2	\$12,541,319	181	\$69,289
<b>Midwest</b>	<b>143</b>	<b>\$2,072,265,109</b>	<b>11,035</b>	<b>\$187,790</b>
IA	5	\$114,371,818	475	\$240,783
IL	89	\$866,282,910	5,041	\$171,847
MN	18	\$160,183,266	1,172	\$136,675
WI	31	\$931,427,115	4,347	\$214,269
<b>New England</b>	<b>125</b>	<b>\$953,134,682</b>	<b>6,187</b>	<b>\$154,054</b>
CT	18	\$140,481,259	922	\$152,366
MA	56	\$368,460,782	2,399	\$153,589
ME	14	\$230,359,493	1,231	\$187,132
NH	15	\$110,008,153	718	\$153,215
RI	19	\$82,208,044	655	\$125,508
VT	3	\$21,616,951	262	\$82,507
<b>New York State</b>	<b>45</b>	<b>\$434,918,725</b>	<b>2,885</b>	<b>\$150,752</b>
NY	45	\$434,918,725	2,885	\$150,752
<b>Northwest</b>	<b>64</b>	<b>\$809,636,602</b>	<b>3,924</b>	<b>\$206,329</b>
AK	3	\$21,333,932	79	\$270,050

<sup>20</sup> The total productivity as presented in across TAACs, States and the summary line of Exhibit 23 represents the actual total average productivity in FY 2014. 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 2014	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
ID	9	\$71,868,087	652	\$110,227
MT	6	\$32,920,087	244	\$134,918
OR	17	\$519,719,408	1,922	\$270,406
WA	29	\$163,795,088	1,027	\$159,489
<b>Rocky Mountain</b>	<b>91</b>	<b>\$3,663,181,444</b>	<b>16,202</b>	<b>\$226,094</b>
CO	37	\$1,079,660,177	3,447	\$313,217
ND	9	\$180,150,003	882	\$204,252
NE	7	\$60,242,887	474	\$127,095
NM	4	\$40,663,880	290	\$140,220
SD	11	\$797,760,817	3,808	\$209,496
UT	20	\$1,453,773,947	6,984	\$208,158
WY	3	\$50,929,733	317	\$160,662
<b>Southeastern</b>	<b>55</b>	<b>\$637,311,729</b>	<b>4,593</b>	<b>\$138,757</b>
AL	5	\$56,884,188	446	\$127,543
FL	3	\$2,102,927	14	\$150,209
GA	13	\$42,777,862	439	\$97,444
KY	2	\$51,085,164	310	\$164,791
MS	2	\$20,223,322	208	\$97,228
NC	19	\$242,732,765	1,625	\$149,374
SC	9	\$190,870,946	1,394	\$136,923
TN	2	\$30,634,555	157	\$195,125
<b>Southwest</b>	<b>79</b>	<b>\$398,026,906</b>	<b>3,551</b>	<b>\$112,089</b>
LA	22	\$122,923,252	569	\$216,034
OK	22	\$128,874,406	1,304	\$98,830
TX	35	\$146,229,248	1,678	\$87,145
<b>Western</b>	<b>36</b>	<b>\$615,076,587</b>	<b>2,639</b>	<b>\$233,072</b>
AZ	4	\$42,071,508	284	\$148,139
CA	28	\$543,159,392	2,157	\$251,812
HI	2	\$23,068,866	126	\$183,086
NV	2	\$6,776,821	72	\$94,123
<b>Total (Nationwide)</b>	<b>842</b>	<b>\$12,680,156,381</b>	<b>70,436</b>	<b>\$180,024<sup>21</sup></b>

<sup>21</sup> Ibid. Footnote 20.

- (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, EDA evaluates the extent to which client firms increased their sales, employment levels, and productivity<sup>22</sup> 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 2012, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

By comparison to similar non-assisted U.S. firms, the national manufacturing industry in aggregate experienced relatively similar performance at the one year mark; while TAAF-assisted firms outpaced others two years after completing the program. In FY 2014, firms participating in the TAAF program reported that upon completion of the TAAF program in FY 2012, average sales were \$16.8 million, average employment was 85 and average sales per employee (productivity) were \$197,875.

One year after completing the program (FY 2013), these same firms reported that average sales and productivity grew, while employment experienced a slight decline. Average sales increased by 2 percent, average productivity increased by 3 percent, and average employment decreased by 1 percent. By comparison to similar non-assisted U.S. firms, the U.S. Bureau of Labor Statistics (BLS) reports that, in FY 2013, the national manufacturing industry in aggregate experienced an average employment increase of 0.4 percent<sup>23</sup> from FY 2012.

Two years after completing the program (FY 2014), these same firms reported continued growth in sales and productivity as well as gains in employment. Average sales increased by 14 percent, average productivity increased by 4 percent, and average employment increased by 9 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2014 experienced an average employment increase of only 2 percent from FY 2012.

These same firms reported that from the time of petition *certification*<sup>24</sup> in the program, on average, sales increased by 33 percent, productivity increased by 34 percent, and employment decreased slightly, by 1 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 2012 experienced significant growth in sales, employment and productivity from the time of

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<sup>22</sup> Ibid. Footnote 3.

<sup>23</sup> Ibid. Footnote 4.

<sup>24</sup> Certification is defined as EDA’s approval of a firm’s petition to be certified as a trade-impacted firm.

completion to a period of two years after completion. All TAAF-assisted firms that completed the program in FY 2012 were in operation at the end of FY 2014, 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 for which 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 upon Completion of the Program, the One-Year and Two-Year Period Following Completion, and from Certification to Two-Years Following Completion.

	<b>Certification (Firms that completed in FY 2012)</b>	<b>Completion (FY 2012)</b>	<b>1st Year Following Completion (FY 2013)</b>	<b>2nd Year Following Completion (FY 2014)</b>	<b>% Change 1st Year after Completion</b>	<b>% Change 2nd Year after Completion</b>	<b>% Change Certification to 2<sup>nd</sup> Year after Completion</b>
<b>Average Sales</b>	\$14,346,125	\$16,819,398	\$17,103,306	\$19,083,039	<b>2%</b>	<b>14%</b>	<b>33%</b>
<b>Average Employment</b>	94	85	84	93	<b>(1)%</b>	<b>9%</b>	<b>(1)%</b>
<b>Average Productivity</b>	\$152,618	\$197,875	\$203,611	\$205,194	<b>3%</b>	<b>4%</b>	<b>34%</b>

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 2012)	Average Sales 1st Yr. Following Completion (FY 2013)	Average Sales 2nd Yr. Following Completion (FY 2014)	Average Employment at Certification	Average Employment at Completion (FY 2012)	Average Employment 1st Yr. Following Completion (FY 2013)	Average Employment 2nd Yr. Following Completion (FY 2014)	Average Productivity at Certification	Average Productivity at Completion (FY 2012)	Average Productivity 1st Yr. Following Completion (FY 2013)	Average Productivity 2nd Yr. Following Completion (FY 2014)
GLTAAC-CMP-001	\$702,038	\$934,716	\$2,100,000	\$975,000	6	7	6	5	\$117,006	\$133,531	\$350,000	\$195,000
GLTAAC-CMP-002	\$1,874,369	\$3,000,000	\$3,300,000	\$3,000,000	24	33	34	42	\$78,099	\$90,909	\$97,059	\$71,429
MamTAAC-CMP-001	\$832,000	\$958,229	\$1,000,000	\$1,229,594	9	10	11	10	\$92,444	\$95,823	\$90,909	\$122,959
MamTAAC-CMP-002	\$1,212,000	\$2,171,366	\$2,202,295	\$2,580,307	27	88	30	36	\$44,889	\$24,675	\$73,410	\$71,675
MamTAAC-CMP-004	\$2,517,629	\$1,800,000	\$2,500,000	\$2,800,000	21	26	25	25	\$119,887	\$69,231	\$100,000	\$112,000
MamTAAC-CMP-005	\$19,110,000	\$24,596,000	\$23,475,083	\$23,815,224	90	95	91	96	\$212,333	\$258,905	\$257,968	\$248,075
MamTAAC-CMP-007	\$12,131,000	\$18,615,500	\$22,550,442	\$26,444,536	136	179	190	225	\$89,199	\$103,997	\$118,687	\$117,531
MamTAAC-CMP-008	\$37,484,000	\$46,000,000	\$39,574,000	\$39,005,857	359	322	305	323	\$104,412	\$142,857	\$129,751	\$120,761
MamTAAC-CMP-009	\$8,395,000	\$8,942,286	\$9,000,000	\$9,932,539	107	27	20	14	\$78,458	\$331,196	\$450,000	\$709,467
MamTAAC-CMP-010	\$8,681,000	\$10,000,000	\$10,800,000	\$9,798,107	83	55	65	65	\$104,590	\$181,818	\$166,154	\$150,740
MamTAAC-CMP-011	\$3,674,000	\$2,000,000	\$2,066,688	\$2,242,892	53	37	37	42	\$69,321	\$54,054	\$55,856	\$53,402
MamTAAC-CMP-012	\$1,324,000	\$531,000	\$261,674	\$270,000	23	11	8	7	\$57,565	\$48,273	\$32,709	\$38,571
MamTAAC-CMP-013	\$345,897	\$319,000	\$319,000	\$366,563	3	5	5	5	\$115,299	\$63,800	\$63,800	\$73,313
MamTAAC-CMP-014	\$3,647,000	\$7,250,000	\$8,650,000	\$6,700,000	19	32	44	39	\$191,947	\$226,563	\$196,591	\$171,795
MamTAAC-CMP-015	\$1,377,000	\$1,533,281	\$1,533,281	\$1,857,000	15	20	20	18	\$91,800	\$76,664	\$76,664	\$103,167
MamTAAC-CMP-016	\$9,040,100	\$8,889,658	\$10,000,000	\$11,740,861	58	60	65	68	\$155,864	\$148,161	\$153,846	\$172,660
MamTAAC-CMP-017	\$11,659,000	\$33,900,000	\$40,417,711	\$42,300,000	38	88	99	98	\$306,816	\$385,227	\$408,260	\$431,633
MamTAAC-CMP-018	\$7,291,000	\$7,900,000	\$9,525,751	\$9,325,497	118	65	77	62	\$61,788	\$121,538	\$123,711	\$150,411
MamTAAC-CMP-019	\$103,961,000	\$92,400,000	\$115,916,624	\$122,400,000	888	542	554	541	\$117,073	\$170,480	\$209,236	\$226,248

Firm ID	Average Sales at Certification	Average Sales at Completion (FY 2012)	Average Sales 1st Yr. Following Completion (FY 2013)	Average Sales 2nd Yr. Following Completion (FY 2014)	Average Employment at Certification	Average Employment at Completion (FY 2012)	Average Employment 1st Yr. Following Completion (FY 2013)	Average Employment 2nd Yr. Following Completion (FY 2014)	Average Productivity at Certification	Average Productivity at Completion (FY 2012)	Average Productivity 1st Yr. Following Completion (FY 2013)	Average Productivity 2nd Yr. Following Completion (FY 2014)
MamTAAC-CMP-021	\$24,166,000	\$80,000,000	\$54,728,153	\$47,500,000	90	125	91	75	\$268,511	\$640,000	\$601,408	\$633,333
MamTAAC-CMP-023	\$19,174,000	\$25,000,000	\$35,500,000	\$37,200,000	241	250	265	280	\$79,560	\$100,000	\$133,962	\$132,857
MamTAAC-CMP-024	\$13,226,000	\$17,744,721	\$17,744,721	\$13,675,000	174	158	158	152	\$76,011	\$112,308	\$112,308	\$89,967
MamTAAC-CMP-025	\$4,902,840	\$3,831,600	\$3,669,748	\$4,114,000	28	17	15	14	\$175,101	\$225,388	\$244,650	\$293,857
MamTAAC-CMP-027	\$52,837,000	\$60,000,000	\$69,200,000	\$55,514,861	406	305	345	344	\$130,140	\$196,721	\$200,580	\$161,380
MamTAAC-CMP-028	\$208,000	\$165,865	\$180,000	\$78,000	5	2	2	2	\$41,600	\$82,933	\$90,000	\$39,000
MamTAAC-CMP-029	\$4,551,000	\$3,458,705	\$5,948,437	\$51,384,339	40	23	38	77	\$113,775	\$150,378	\$156,538	\$667,329
MamTAAC-CMP-030	\$1,054,942	\$1,260,151	\$1,270,000	\$1,128,635	18	11	11	11	\$58,608	\$114,559	\$115,455	\$102,603
MamTAAC-CMP-031	\$4,833,000	\$4,818,601	\$4,950,000	\$5,103,387	72	50	49	60	\$67,125	\$96,372	\$101,020	\$85,056
MATAAC-CMP-005	\$19,341,214	\$18,446,966	\$18,991,849	\$18,600,000	117	150	137	120	\$165,310	\$122,980	\$138,627	\$155,000
MATAAC-CMP-006	\$9,998,096	\$13,650,000	\$13,171,402	\$14,400,000	41	62	66	65	\$243,856	\$220,161	\$199,567	\$221,538
MATAAC-CMP-015	\$9,939,297	\$17,379,072	\$18,501,039	\$26,673,095	87	114	129	151	\$114,245	\$152,448	\$143,419	\$176,643
MATAAC-CMP-016	\$546,287	\$978,000	\$945,000	\$1,400,000	3	5	5	9	\$182,096	\$195,600	\$189,000	\$155,556
MATAAC-CMP-018	\$15,427,668	\$10,737,133	\$11,279,579	\$10,890,099	71	47	44	42	\$217,291	\$228,450	\$256,354	\$259,288
MATAAC-CMP-019	\$7,671,400	\$7,308,721	\$7,367,636	\$5,653,348	62	67	57	50	\$123,732	\$109,085	\$129,257	\$113,067
MWTAAC-CMP-002	\$201,980,000	\$250,000,000	\$250,000,000	\$250,000,000	806	1,000	1,000	1,000	\$250,596	\$250,000	\$250,000	\$250,000
MWTAAC-CMP-003	\$7,986,187	\$5,717,000	\$6,500,000	\$15,000,000	76	42	50	78	\$105,081	\$136,119	\$130,000	\$192,308
MWTAAC-CMP-004	\$6,669,681	\$9,800,000	\$10,500,000	\$12,500,000	55	60	75	85	\$121,267	\$163,333	\$140,000	\$147,059
MWTAAC-CMP-005	\$63,497,000	\$67,000,000	\$60,000,000	\$65,000,000	123	151	150	150	\$516,236	\$443,709	\$400,000	\$433,333
MWTAAC-CMP-006	\$8,640,000	\$7,741,000	\$10,000,000	\$15,000,000	63	59	70	80	\$137,143	\$131,203	\$142,857	\$187,500
MWTAAC-CMP-008	\$39,277,000	\$30,000,000	\$22,400,000	\$23,000,000	192	160	48	50	\$204,568	\$187,500	\$466,667	\$460,000
MWTAAC-CMP-009	\$6,883,000	\$22,118,000	\$23,400,000	\$25,000,000	68	119	123	128	\$101,221	\$185,866	\$190,244	\$195,313

Firm ID	Average Sales at Certification	Average Sales at Completion (FY 2012)	Average Sales 1st Yr. Following Completion (FY 2013)	Average Sales 2nd Yr. Following Completion (FY 2014)	Average Employment at Certification	Average Employment at Completion (FY 2012)	Average Employment 1st Yr. Following Completion (FY 2013)	Average Employment 2nd Yr. Following Completion (FY 2014)	Average Productivity at Certification	Average Productivity at Completion (FY 2012)	Average Productivity 1st Yr. Following Completion (FY 2013)	Average Productivity 2nd Yr. Following Completion (FY 2014)
MWTAAC-CMP-010	\$4,340,000	\$4,200,000	\$4,910,000	\$5,000,000	21	37	38	38	\$206,667	\$113,514	\$129,211	\$131,579
MWTAAC-CMP-011	\$9,284,000	\$10,275,000	\$10,582,000	\$10,590,000	48	44	44	45	\$193,417	\$233,523	\$240,500	\$235,333
MWTAAC-CMP-012	\$662,669	\$1,100,000	\$1,100,000	\$1,100,000	9	17	17	17	\$73,630	\$64,706	\$64,706	\$64,706
MWTAAC-CMP-013	\$3,334,000	\$6,500,000	\$7,700,000	\$7,700,000	28	47	47	47	\$119,071	\$138,298	\$163,830	\$163,830
MWTAAC-CMP-014	\$1,529,000	\$2,500,000	\$2,500,000	\$2,500,000	16	20	20	20	\$95,563	\$125,000	\$125,000	\$125,000
MWTAAC-CMP-015	\$750,000	\$1,000,000	\$1,100,000	\$1,100,000	5	7	7	7	\$150,000	\$142,857	\$157,143	\$157,143
MWTAAC-CMP-016	\$33,932,000	\$19,000,000	\$20,000,000	\$25,000,000	200	125	130	135	\$169,660	\$152,000	\$153,846	\$185,185
MWTAAC-CMP-010	\$4,340,000	\$4,200,000	\$4,910,000	\$5,000,000	21	37	38	38	\$206,667	\$113,514	\$129,211	\$131,579
NETAAC-CMP-006	\$1,496,000	\$1,454,000	\$1,329,964	\$1,425,000	15	16	14	11	\$99,733	\$90,875	\$94,997	\$129,545
NETAAC-CMP-007	\$10,409,004	\$13,200,000	\$13,500,000	\$14,000,000	77	80	80	83	\$135,182	\$165,000	\$168,750	\$168,675
NETAAC-CMP-009	\$7,540,427	\$10,400,000	\$9,653,000	\$11,768,000	64	87	90	93	\$117,819	\$119,540	\$107,256	\$126,538
NETAAC-CMP-010	\$19,809,756	\$21,342,034	\$23,707,702	\$27,851,000	57	58	63	66	\$347,540	\$367,966	\$376,313	\$421,985
NETAAC-CMP-011	\$4,994,647	\$6,800,000	\$7,002,000	\$8,000,000	22	20	24	27	\$227,029	\$340,000	\$291,750	\$296,296
NETAAC-CMP-013	\$884,344	\$1,198,551	\$1,304,000	\$1,562,010	5	7	9	11	\$176,869	\$171,222	\$144,889	\$142,001
NETAAC-CMP-014	\$171,103	\$380,955	\$325,000	\$351,209	3	3	3	3	\$57,034	\$126,985	\$108,333	\$117,070
NETAAC-CMP-015	\$983,006	\$1,038,255	\$1,036,000	\$1,216,000	11	11	11	10	\$89,364	\$94,387	\$94,182	\$121,600
NYSTAAC-CMP-001	\$18,422,958	\$25,000,000	\$27,000,000	\$30,000,000	143	114	117	131	\$128,832	\$219,298	\$230,769	\$229,008
NYSTAAC-CMP-002	\$2,300,000	\$2,300,000	\$2,300,000	\$2,199,000	34	35	35	34	\$67,647	\$65,714	\$65,714	\$64,676
NYSTAAC-CMP-003	\$1,154,435	\$1,498,816	\$1,522,114	\$2,000,000	11	13	15	16	\$104,949	\$115,294	\$101,474	\$125,000
NYSTAAC-CMP-004	\$1,183,025	\$3,490,494	\$3,499,736	\$3,850,000	26	24	25	26	\$45,501	\$145,437	\$139,989	\$148,077
NWTAAC-CMP-001	\$41,737,860	\$42,000,000	\$45,000,000	\$49,500,000	267	170	173	175	\$156,322	\$247,059	\$260,116	\$282,857
NWTAAC-CMP-002	\$16,722,097	\$18,000,000	\$23,800,000	\$32,000,000	90	110	114	127	\$185,801	\$163,636	\$208,772	\$251,969

Firm ID	Average Sales at Certification	Average Sales at Completion (FY 2012)	Average Sales 1st Yr. Following Completion (FY 2013)	Average Sales 2nd Yr. Following Completion (FY 2014)	Average Employment at Certification	Average Employment at Completion (FY 2012)	Average Employment 1st Yr. Following Completion (FY 2013)	Average Employment 2nd Yr. Following Completion (FY 2014)	Average Productivity at Certification	Average Productivity at Completion (FY 2012)	Average Productivity 1st Yr. Following Completion (FY 2013)	Average Productivity 2nd Yr. Following Completion (FY 2014)
NWTAAC-CMP-003	\$9,143,030	\$8,565,000	\$9,400,000	\$12,300,000	25	25	19	24	\$365,721	\$342,600	\$494,737	\$512,500
NWTAAC-CMP-008	\$912,115	\$875,000	\$1,070,000	\$1,320,000	6	7	7	7	\$152,019	\$125,000	\$152,857	\$188,571
NWTAAC-CMP-009	\$491,848	\$170,959	\$210,255	\$259,051	1	1	1	1	\$491,848	\$170,959	\$210,255	\$259,051
NWTAAC-CMP-010	\$543,723	\$543,000	\$570,000	\$632,214	8	6	6	6	\$67,965	\$90,500	\$95,000	\$105,369
RMTAAC-CMP-001	\$2,480,241	\$1,894,702	\$2,074,291	\$2,191,899	17	20	25	25	\$145,897	\$94,735	\$82,972	\$87,676
RMTAAC-CMP-002	\$7,593,750	\$11,360,068	\$20,500,000	\$30,000,000	51	90	123	251	\$148,897	\$126,223	\$166,667	\$119,522
RMTAAC-CMP-003	\$11,067,923	\$20,389,761	\$19,353,331	\$20,958,072	96	107	99	117	\$115,291	\$190,559	\$195,488	\$179,129
RMTAAC-CMP-004	\$1,972,907	\$1,448,566	\$1,300,000	\$1,710,000	17	14	15	15	\$116,053	\$103,469	\$86,667	\$114,000
RMTAAC-CMP-005	\$716,538	\$711,522	\$522,964	\$442,000	11	9	9	7	\$65,140	\$79,058	\$58,107	\$63,143
RMTAAC-CMP-006	\$27,654,310	\$33,232,833	\$35,678,574	\$37,212,724	245	256	264	356	\$112,875	\$129,816	\$135,146	\$104,530
RMTAAC-CMP-007	\$137,515,000	\$141,000,000	\$125,000,000	\$217,310,940	622	397	250	740	\$221,085	\$355,164	\$500,000	\$293,663
RMTAAC-CMP-009	\$150,054	\$389,454	\$501,620	\$589,621	3	10	5	6	\$50,018	\$38,945	\$100,324	\$98,270
RMTAAC-CMP-011	\$9,328,882	\$8,853,861	\$9,667,821	\$10,091,000	73	65	67	72	\$127,793	\$136,213	\$144,296	\$140,153
RMTAAC-CMP-012	\$2,212,061	\$2,557,730	\$2,500,000	\$2,500,000	13	11	12	15	\$170,159	\$232,521	\$208,333	\$166,667
RMTAAC-CMP-013	\$8,669,858	\$7,587,500	\$9,188,170	\$8,889,515	84	72	81	77	\$103,213	\$105,382	\$113,434	\$115,448
RMTAAC-CMP-015	\$8,600,525	\$11,500,000	\$15,700,000	\$16,100,000	43	55	61	65	\$200,012	\$209,091	\$257,377	\$247,692
RMTAAC-CMP-016	\$12,069,604	\$10,700,000	\$8,775,000	\$5,229,304	48	43	44	40	\$251,450	\$248,837	\$199,432	\$130,733
RMTAAC-CMP-017	\$19,491,080	\$21,000,000	\$20,100,000	\$20,600,000	175	186	187	176	\$111,378	\$112,903	\$107,487	\$117,045
RMTAAC-CMP-018	\$2,520,008	\$1,900,000	\$2,490,000	\$2,970,000	32	24	24	25	\$78,750	\$79,167	\$103,750	\$118,800
RMTAAC-CMP-019	\$27,753,785	\$24,527,718	\$20,336,912	\$18,150,000	267	154	132	122	\$103,947	\$159,271	\$154,068	\$148,770
SETAAC-CMP-001	\$3,465,531	\$10,100,000	\$11,100,000	\$10,800,000	76	108	105	125	\$45,599	\$93,519	\$105,714	\$86,400
SETAAC-CMP-002	\$49,702,000	\$72,988,000	\$72,988,000	\$78,813,000	450	255	255	260	\$110,449	\$286,227	\$286,227	\$303,127

Firm ID	Average Sales at Certification	Average Sales at Completion (FY 2012)	Average Sales 1st Yr. Following Completion (FY 2013)	Average Sales 2nd Yr. Following Completion (FY 2014)	Average Employment at Certification	Average Employment at Completion (FY 2012)	Average Employment 1st Yr. Following Completion (FY 2013)	Average Employment 2nd Yr. Following Completion (FY 2014)	Average Productivity at Certification	Average Productivity at Completion (FY 2012)	Average Productivity 1st Yr. Following Completion (FY 2013)	Average Productivity 2nd Yr. Following Completion (FY 2014)
SETAAC-CMP-004	\$4,579,750	\$2,600,000	\$2,500,000	\$2,070,000	18	10	9	15	\$254,431	\$260,000	\$277,778	\$138,000
SETAAC-CMP-005	\$374,218	\$613,569	\$565,366	\$650,000	13	7	10	9	\$28,786	\$87,653	\$56,537	\$72,222
SETAAC-CMP-006	\$2,153,350	\$1,900,000	\$2,100,000	\$1,900,000	37	25	28	28	\$58,199	\$76,000	\$75,000	\$67,857
SETAAC-CMP-007	\$4,836,725	\$2,076,775	\$993,669	\$250,000	20	6	7	6	\$241,836	\$346,129	\$141,953	\$41,667
WTAAC-CMP-001	\$22,844,000	\$31,806,000	\$24,477,000	\$21,863,583	27	26	27	23	\$846,074	\$1,223,308	\$906,556	\$950,591
WTAAC-CMP-002	\$5,281,000	\$3,500,000	\$1,848,000	\$3,431,457	75	18	25	22	\$70,413	\$194,444	\$73,920	\$155,975
WTAAC-CMP-003	\$17,055,868	\$18,264,000	\$18,000,000	\$12,500,000	69	59	85	60	\$247,186	\$309,559	\$211,765	\$208,333
WTAAC-CMP-004	\$13,573,000	\$10,800,000	\$10,500,000	\$10,300,000	120	96	105	95	\$113,108	\$112,500	\$100,000	\$108,421
WTAAC-CMP-006	\$512,422	\$482,061	\$512,015	\$458,894	4	5	3	3	\$128,106	\$96,412	\$170,672	\$152,965
WTAAC-CMP-007	\$3,959,000	\$8,302,380	\$8,761,247	\$7,877,000	48	85	85	58	\$82,479	\$97,675	\$103,073	\$135,810
WTAAC-CMP-009	\$29,301,000	\$27,975,023	\$28,871,911	\$25,000,000	234	213	230	240	\$125,218	\$131,338	\$125,530	\$104,167
WTAAC-CMP-011	\$2,251,000	\$8,528,281	\$9,883,874	\$10,543,561	21	44	46	43	\$107,190	\$193,825	\$214,867	\$245,199
<b>Total Average</b>	<b>\$14,346,125</b>	<b>\$16,819,398</b>	<b>\$17,103,306</b>	<b>\$19,083,039</b>	<b>94</b>	<b>85</b>	<b>84</b>	<b>93</b>	<b>\$152,618</b>	<b>\$197,875</b>	<b>\$203,611</b>	<b>\$205,194</b>

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

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

In FY 2014, firms received \$9.8 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 nearly \$6 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 2014

<b>TAAC</b>	<b>Total TAAC Assistance to Firms<sup>25</sup></b>	<b>Financial Contribution by the Firms</b>
Great Lakes	\$1,103,706	\$704,718
Mid-America	\$617,508	\$419,019
MidAtlantic	\$1,147,205	\$787,466
Midwest	\$1,003,286	\$753,119
New England	\$804,796	\$653,659
New York State	\$499,123	\$312,589
Northwest	\$1,023,040	\$351,880
Rocky Mountain	\$1,648,616	\$1,135,075
Southeastern	\$592,608	\$247,524
Southwest	\$534,084	\$436,744
Western	\$840,547	\$184,722
<b>Total</b>	<b>\$9,814,519</b>	<b>\$5,986,515</b>

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

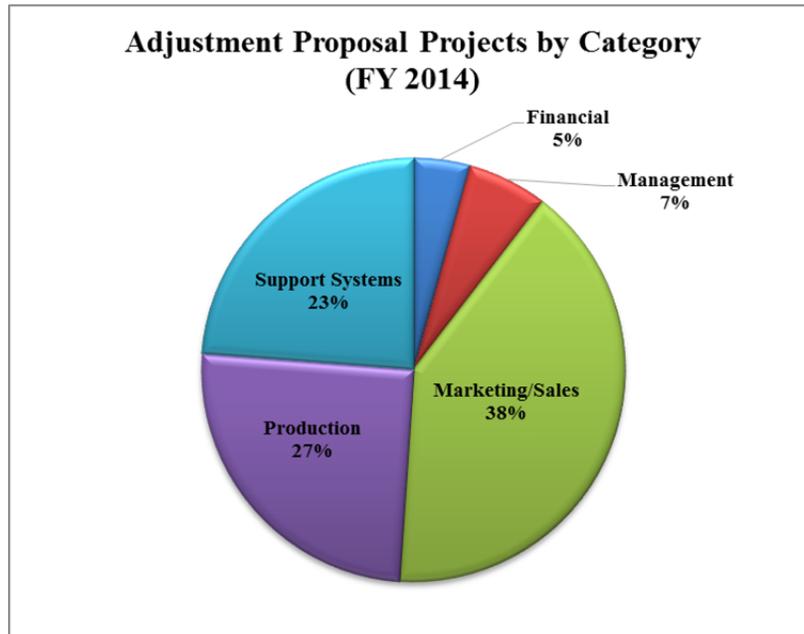
In FY 2014, firms proposed various types of projects in their APs. TAACs reported that 19 percent of all AP projects approved included projects for the purpose of assisting the firm with developing or increasing export opportunities. Marketing/sales projects are geared toward increasing revenue, whereas 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 in Exhibit 27.

<sup>25</sup> 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 2014

Project Classification	Sample Types of Projects	Number of AP Projects <sup>26</sup>	AP Project Costs
Financial	<ul style="list-style-type: none"> <li>Accounting systems upgrade</li> <li>Cost control tracking system</li> <li>Automatic Data Processing development</li> </ul>	17	\$279,655
Management	<ul style="list-style-type: none"> <li>Strategic business planning</li> <li>Succession management</li> <li>Management development</li> </ul>	25	\$715,000
Marketing/Sales	<ul style="list-style-type: none"> <li>Sales process training</li> <li>Market expansion and feasibility</li> <li>Web site design and upgrade</li> </ul>	129	\$4,193,630
Production	<ul style="list-style-type: none"> <li>Lean manufacturing and certification</li> <li>New product development</li> <li>Production and warehouse automation</li> </ul>	94	\$3,069,677
Support Systems	<ul style="list-style-type: none"> <li>Enterprise Resource Planning</li> <li>Management Information Systems upgrades</li> <li>Computer Aided Design software</li> <li>Supply chain management software</li> </ul>	79	\$2,051,130

Exhibit 28: APs by Project Classification: FY 2014



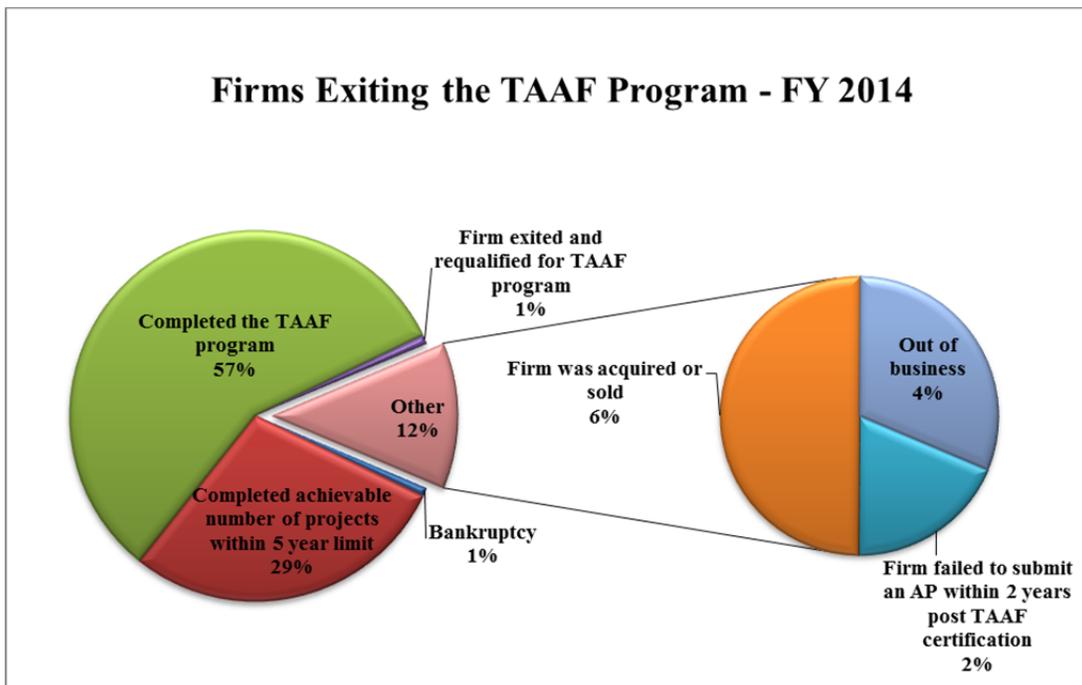
<sup>26</sup> A firm may have up to five projects in an approved AP.

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

In FY 2014, of the 126 firms that left the TAAF program, 108 completed the program, with 72 of the 108 completing all of the planned projects in the five year project period allotted (see first two rows of Exhibit 29 below). The remaining 18 firms left for the other reasons listed below in Exhibit 29, beginning with the third row.

Exhibit 29: Summary of Firms Leaving the TAAF program: FY 2014

Reason for Leaving Program	Number of Firms
Completed the TAAF program	72
Completed achievable number of projects within 5 year limit	36
Firm was acquired or sold	8
Out of business	5
Firm failed to submit an AP within 2 years post TAAF certification	3
Bankruptcy	1
Firm exited and re-qualified for TAAF program	1
<b>Total</b>	<b>126</b>



**(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 costs<sup>27</sup>. 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 as they do not receive other federal funds; 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 2014

TAAC	Personnel (including Fringe Benefits)	Contracts (Federal Share)	Travel	Equipment and Supplies	Other	Indirect Costs	Total TAAC Expenditures
Great Lakes	\$508,192	\$735,220	\$9,709	\$10,732	\$27,963	\$384,279	\$1,676,095
Mid-America	\$452,401	\$443,621	\$11,861	\$2,541	\$47,264	\$238,691	\$1,196,379
MidAtlantic	\$508,490	\$776,187	\$27,459	\$16,697	\$206,775	\$0	\$1,535,608
Midwest	\$663,908	\$810,181	\$13,155	\$6,302	\$128,267	\$0	\$1,621,813
New England	\$339,331	\$674,747	\$7,924	\$5,994	\$51,988	\$0	\$1,079,984
New York State	\$388,181	\$312,061	\$4,550	\$7,878	\$62,251	\$82,487	\$857,408
Northwest	\$631,808	\$421,268	\$19,514	\$14,364	\$173,466	\$0	\$1,260,420
Rocky Mountain	\$591,432	\$1,148,809	\$8,588	\$5,402	\$59,957	\$160,288	\$1,974,476
Southeastern	\$527,925	\$285,827	\$21,153	\$9,481	\$0	\$292,917	\$1,137,303
Southwest	\$455,961	\$405,329	\$24,975	\$17,340	\$12,720	\$98,107	\$1,014,432
Western	\$407,821	\$404,995	\$15,023	\$8,180	\$25,653	\$269,563	\$1,131,235
<b>Total</b>	<b>\$5,475,450</b>	<b>\$6,418,245</b>	<b>\$163,911</b>	<b>\$104,911</b>	<b>\$796,304</b>	<b>\$1,526,332</b>	<b>\$14,485,153</b>

<sup>27</sup> 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>

**(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 2014, TAACs expended \$11.1 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 use the funds to provide the cost-shared proportion of the cost to secure specialized business consultants.

Exhibit 31: Summary of Expenditures - Technical Assistance to Firms by TAAC: FY 2014

<b>TAAC</b>	<b>TAAC Expenditure - Outreach</b>	<b>TAAC Expenditures - Petitions</b>	<b>TAAC Expenditures - APs</b>	<b>Total TAAC Expenditures</b>
Great Lakes	\$339,827	\$368,486	\$735,220	\$1,443,533
Mid-America	\$9,132	\$124,787	\$492,721	\$626,640
MidAtlantic	\$106,137	934,629	212,576	\$1,253,342
Midwest	\$189,628	\$193,106	\$810,180	\$1,192,914
New England	\$39,366	\$130,049	\$674,747	\$844,162
New York State	\$20,828	\$181,061	\$318,062	\$519,951
Northwest	\$132,962	\$601,772	\$421,268	\$1,156,002
Rocky Mountain	\$58,142	\$499,807	\$1,148,809	\$1,706,758
Southeastern	\$190,951	\$306,781	\$285,827	\$783,559
Southwest	\$52,992	\$126,889	\$407,195	\$587,076
Western	\$136,371	\$250,830	\$589,717	\$976,918
<b>Total</b>	<b>\$1,276,336</b>	<b>\$3,718,197</b>	<b>\$6,096,322</b>	<b>\$11,090,855</b>

*“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.”<sup>28</sup> – U.S. Secretary of Commerce Penny Pritzker*

## Conclusion

EDA’s TAAF program produces strong results:

- Two years after completing the TAAF program (FY 2014), firms reported that, on average, sales increased by 14 percent, productivity<sup>29</sup> increased by 4 percent, and employment increased by 9 percent. Meanwhile, BLS reported that, in FY 2014, the manufacturing industry as a whole experienced an average employment increase of only 2 percent from FY 2012. Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole<sup>30</sup>.
- These same firms reported that from the time of *certification* in the program, on average, sales increased by 33 percent, employment decreased by only 1 percent, and productivity increased by 34 percent.
- All firms that completed the TAAF program in FY 2012 were in operation as of the end of FY 2014, indicating strong survival rates for TAAF-assisted firms in the face of import pressures.

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<sup>28</sup> [U.S. Secretary of Commerce Penny Pritzker’s testimony on \*Strengthening Innovation and Manufacturing for a 21st Century Economy\*, November 13, 2013.](#)

<sup>29</sup> Ibid. Footnote 3

<sup>30</sup> Ibid. Footnote 4

## 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 Michigan firm with 40 employees manufactures inspection jigs and fixtures. It had been steadily losing business to foreign competitors for several years before it came into the TAAF program in 2012. Although fundamentally sound, the business had some major issues. Much of its customer base had migrated south from the upper Midwest, which made it very difficult to maintain relationships and support sales from its Michigan base. Also, the third of the firm's four founders was about to retire, leaving just one member of the original management team that had successfully led the business for 20 years. Finally, the firm needed to keep increasing its productivity and engineering capabilities to improve its competitiveness and win back business with those customers that relocated to the southern region of the country. GLTAAC helped the firm develop an Adjustment Plan that addresses all of these issues that was approved in late 2012. The firm has already completed four key projects. First, the firm used the program to identify new sales reps for Alabama, Georgia, Tennessee, North Carolina, and South Carolina. It then implemented a management development plan and put a management succession plan in place. A capital structure and costing analysis was next, followed by the development of a labor cost tracking system. The firm has now implemented approximately 50 percent of its AP. In the coming year, the firm is scheduled to use the program to develop new promotional materials (to support its southern sales reps), and to jumpstart the training of its production workers and engineering staff. Although the AP is still in implementation, this firm is now stabilized and its long term viability is much improved. Since entering the program, sales have increased and the firm has added seven employees.

An Ohio production equipment manufacturer with a workforce of 100 entered the TAAF program after being severely impacted by imports from China and other Asian companies. The firm's AP, which was approved by EDA in early 2010, called for improvements throughout the business. The firm needed to immediately improve productivity and reduce costs, so their first project was an extensive lean manufacturing initiative. By the end of 2010, strong management plus early returns from this project enabled the firm to bring their operations back to break-even. After this 8-month project was completed, the firm utilized the program to conduct worker training. A market planning project then helped the firm formalize and focus its marketing and sales efforts, turning what had been a serious weakness for the firm into an important strength. The firm is currently working on its final TAAF project. This implementation and integration of a new Enterprise Resource Planning (ERP)

system will improve efficiencies throughout the business and facilitate better customer service. The project is on track to finish very early next year. This firm has benefited greatly from TAAF. Sales are now at an all-time high, as is employment. The number of workers at the firm has more than doubled from its low point, adding jobs every year since 2010. The competitiveness of this TAAF client has greatly improved, and its future is bright.

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

A 67-year-old Missouri manufacturer of chimney covers, log racks, fireplace accessories, animal control screens and other hearth-related products began seeing their business slowing in the late 1990s. Management diversified into other product lines: first tubular log racks; then stove boards, essentially insulated boards that sit under a stove to insulate and protect the floor; then, at the turn of the century, cast iron fireplace grates, andirons, steamer kettles and other accessories. In 2011, the firm again struck out into new territory, adding wood-burning add-on furnaces. However, the intervening recession and increasing foreign competition, especially from China and Mexico, were dampening sales. The firm reached out to Mid-America TAAC in early 2011. Since entering the TAAF program about three years ago, the firm's Executive Vice President estimates the firm has added \$3 million in sales and ten employees, bringing the total to \$12 million in sales and 65 employees. "And we now have a solid foundation for additional growth, thanks to the TAAF program" he says. "From our perspective, it's hard to find a program targeting exactly what's needed in terms of required changes to update, upgrade our ability to compete on the global playing field...TAAF was dead on in terms of what needed doing, and Mid-America TAAC has been exceptionally good to work with — very detail-oriented, very much has the attitude of doing what needs to be done. They are a true partner in our success."

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 firm president met with a TAAC project manager and determined that the firm qualified for the program. With TAAF assistance, 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 firm's general manager, TAAF assistance helped to properly market their products at trade shows and opened doors 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 Delaware firm experienced four years of decline before joining the TAAF program through MATAAC. The firm manufactures fluids held at supercritical temperatures and pressures, allowing the fluids to exhibit both gas and liquid properties, thereby effectively replacing petroleum-based solvents in industry. Increasing import competition caused the firm's sales to decrease by one quarter, eliminating all of its profits and leading to a productivity decline of over 40 percent. With TAAF assistance, the firm implemented a

variety of projects focused on developing nanotechnology expertise, conducting market research, and implementing enterprise resource planning. The outcomes are impressive: sales are up by 76 percent, earnings have grown from a loss to more than \$200,000, the return on human capital grew from a loss to \$4,900, and the workforce increased by 60 percent.

A Pennsylvania maker of instruments and test kits for wastewater analysis worldwide was facing its second year of declining sales when it inquired about TAAF assistance from MATAAC. Revenues were down 17 percent, and 27 percent of its employees had been laid off. Matching \$75,000 in federal technical assistance, the firm implemented a series of knowledge-based projects covering market research, sales force training, website design, product engineering, and IT upgrades. Since program entry, the firm has seen sales grow by 20 percent; a 21 percent earnings increase and 50 percent more jobs have been created.

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

A 50-year-old Illinois metal fabricating, cutting, and stamping firm was losing long-standing customers to cheaper overseas manufacturers, primarily based in China. High volume sales diminished almost overnight as Chinese manufacturers were able to sell competing parts in the United States cheaper than the domestic cost of raw materials alone. In order to survive, the firm needed to shift its focus to entirely new industries and markets. MWTAAC worked with the firm to outline the steps required to transition into more complex manufacturing markets with higher quality standards. In just three years, the firm completed 16 projects utilizing TAAF-funded technical assistance, which helped them to reduce costs, improve efficiency, train workers, enhance technology, and ultimately to transition into the aerospace industry. This industry has higher margins and is more defensible against cheaper overseas manufacturers. The results have been extraordinary: the firm has tripled employment and doubled sales as a result of these projects. According to the manufacturer, none of this would have been possible without their participation in the TAAF program.

A 90-year-old Wisconsin-based metal firm performed a variety of activities, including metals engineering, fabrication and assembly operations as well as tool design and construction. In 2009, the firm experienced a 19 percent fall in sales, dropping from 40 workers down to just 26. Several of its largest customers were forced to switch to cheaper foreign goods in order to remain competitive on price, despite feeling that the domestic manufacturer had higher quality. The firm relied on TAAF technical assistance to help complete a variety of projects. First, they overhauled their management decision-making processes to incorporate more real-time information. They also improved their shop-floor manufacturing efficiency by focusing on cellular and lean methodologies, which reduced scrap and increased output. Finally, the firm conducted market research to form a strategic marketing plan and outfitted their website with new e-commerce capabilities. In the five years the firm has been a participant in the TAAF program, sales have increased by 44 percent and they have expanded operations to run a second shift, hiring an additional 13 full-time employees. The firm is actively seeking more workers for both the first and second shifts, and has solid orders indicating continued growth in the coming year.

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

A Massachusetts firm that designs and manufactures instrumentation to monitor dust, powder, and bulk solids for environmental and process control applications began receiving TAAF technical assistance in 2010. Prior to joining the program, the firm had experienced a significant decline in sales due to increased foreign competition and a shrinking domestic market. With NETAAC assistance, the firm prepared an AP outlining its key projects to restore competitive health, including a revised strategic business plan, an updated sales and marketing plan, and a new product development and certification pipeline. The firm has now developed an innovative new electrostatic/triboelectric bag leak detector product, which was selected by the prestigious industry publication Processing Magazine as the Breakthrough Product of the Year. Since entering the TAAF program, the firm has regained a competitive footing and is growing again, with sales up 61 percent and employment up 60 percent.

A Rhode Island firm provides precision metal electroplating, coating, and fulfillment services to a variety of industries, including the aerospace, automotive, electronics, and medical industries. Before entering the TAAF program in 2010, the firm had lost 30 percent of its business due to imports. With NETAAC's assistance, the firm prepared an AP plan focusing on integrating new management information systems, launching new sales and marketing initiatives, and streamlining operational and production processes. As a result, the firm's sales have increased by 63 percent and it has added 60 new jobs. In addition, the firm is now developing plans to reshore jobs back to America.

### **New York State Trade Adjustment Assistance Center (NYSTAAC)**

A 47-year-old New York firm manufactures printed circuit boards for a variety of industries, including the military, communications, computer, and consumer electronics industries. As a result of import competition from Asia, however, by the time the firm was certified for the TAAF program, its annual sales had declined by over 10 percent to \$1.1 million, and its employment had dropped nearly 8 percent to an average of 24 employees. Working with NYSTAAC, the firm developed a new strategic sales plan, coupled with ISO certification. Following completion of its AP in early 2013, the firm was able to increase sales by 250 percent to \$3.8 million, and increase jobs by 8 percent to 26 employees.

A New York manufacturer of injection molds sought technical assistance from NYSTAAC in 2010 to develop an AP addressing the adverse effects of Chinese competition. With TAAF technical assistance, the firm completed a strategic business plan, created a new website, and implemented a lean manufacturing program. As a result of these development projects, the firm has increased revenues to \$25 million, a 12 percent increase since 2011. The firm has also embarked on new expansion plans that will double its manufacturing workspace to 125,000 square feet. Additionally, the firm expects to increase total employment by 45 percent to 160 workers over the next three years to support future growth.

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

With TAAF assistance, an Idaho softwood lumber manufacturer conducting logging, production, and delivery operations invested in automated log intake equipment and training, enabling it to significantly reduce the time and cost of its lumber processing operations. The firm is now able to measure costs and other important metrics much faster and more

thoroughly than before. The net result is improved overall performance, leading to increased profitability. During its participation in the TAAF program, the firm more than doubled its sales and worker productivity.

An Oregon manufacturer of sheet metal was losing sales, particularly of aluminum, to Chinese producers. In an effort to diversify, the firm had developed a concept for a highly-controllable outdoor grill using wood pellets as fuel. Management realized, however, that the transition from contract manufacturing into branded product production would be difficult. With TAAF assistance, the firm developed a marketing strategy for its grill product, refined product development, and implemented a new management information system. During the five years the firm participated in the TAAF program, its sales more than doubled, and it increased employment by 90 percent. The grill product was commercially successful and now contributes approximately one third of the firm's revenue. The firm's contract manufacturing business also grew, rising to a level of activity exceeding its highest level prior to applying for the TAAF program. According to the President of the firm, "NWTAAAC and its professional staff have contributed to a huge success for our business. The contact with NWTAAAC staff and the consulting projects we undertook were very valuable. I can't say enough about the professionalism of the staff and their willingness to help. We usually turn down government help and programs because they are too difficult and time consuming for small companies like ours. NWTAAAC was the exception for us. My thanks to all the NWTAAAC staff for helping us launch and be successful with an American-made product."

A 51-year-old Washington firm manufactures agricultural irrigation accessories, specializing in extension watering booms for pivot type irrigation systems. In response to import competition from China, the firm needed technical expertise to adjust and expand their business, both domestically and internationally. During the 16 months the firm was in the TAAF program, it has been able to shift its focus to marketing the technology rather than the parts and pieces. The firm has successfully combined this effort with research and a white paper demonstrating the water conservation benefits of their products. The firm now has worldwide brand recognition and has secured numerous orders from Zambia in addition to developing strong relationships with potential clients and distributors in Jordan and the European Union. The firm has seen domestic sales and exports increase, and expect to see further growth as demand for sustainable agricultural irrigation products increases. The president of the firm stated that if he had not participated in the TAAF program and had NWTAAAC's assistance, he would have had to choose between funding for the marketing project and funding for the research, but it is the two of them together that have contributed to his increased success and will continue to do so.

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

A South Dakota manufacturer of industrial cleaning machinery experiencing increased foreign competition contacted the RMTAAC in 2010 for help. Over the last decade, there has been a significant trend toward consolidation in the industrial machinery industry. As larger multi-national conglomerates have gained scale in their operations through acquisitions, the competitive challenges continue to mount for smaller manufacturers in the industry. Between July 2011 and June 2014, the firm benefited from TAAF technical assistance to develop a customized sales and marketing program. To date, the firm's sales

have increased by more than 100 percent since entering the program - a 72 year high - and the firm has added 11 new jobs in its rural community, an increase of over 35 percent.

A Utah manufacturer of precision metal products was faced with intense foreign competition and an increasingly competitive market when it entered the TAAF program in 2011. RMTAAC conducted a thorough business assessment and competitive analysis to identify improvement areas on which to build a solid foundation for future growth. The firm's AP focused on improvements to the firm's operational and manufacturing processes. Since 2011, the firm benefited from TAAF technical assistance for lean manufacturing and Quick Response Manufacturing (QRM) initiatives to reduce lead time throughout the firm and build a strong foundation for long-term growth. After applying just a few of the principles of Lean and QRM, on-time delivery at the firm has increased by nearly 15 percent, customer satisfaction has improved, and the cost of quality has reduced by approximately 65 percent from the previous year. While competition remains strong, since entering the TAAF program the firm has made critical business improvements, including a 25 percent increase in annual sales and the retention of valuable manufacturing jobs in the community.

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

A Georgia manufacturer of textile equipment turned to SETAAC for help when its sales had plummeted by 80 percent and its employment fell to 62. After entering the TAAF program, the firm began working with a consultant to explore ways in which they could market their capabilities to the federal government. Through this assistance, the firm received certification from the Historically Underutilized Business Zone (HUBZone) program, which helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. The firm also redesigned its website and other marketing materials in order to appeal to a broader client base. The firm has significantly benefited from participation in the TAAF program. The firm now provides ammunition testing systems to the Air Force, weapon racks to the Army, and hydraulic lifting systems for vehicle maintenance to the Army. Since 2009, as a result of participating in the TAAF program, the firm has revitalized its operations, adding 26 jobs and increasing its annual sales by over \$5 million.

A North Carolina manufacturer of premium-quality recreational mountain and rock climbing gear was experiencing increased competition from larger manufacturers in China, Taiwan, and Mexico. After a loss in sales between 2006 and 2008, the firm applied for the TAAF program. The SETAAC team outlined key projects to help the firm increase its competitive edge. The firm's AP focused on marketing, including a tactical plan for niche marketing approaches and direct-to-consumer internet sales. Print materials were integrated into internet promotions to provide "virtual catalog" capabilities. After implementing these projects, the firm's annual sales have increased by over \$820,000 and it has added eight additional employees.

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

An Oklahoma manufacturer of industrial fans and louvers was adversely affected by imports from China, Germany, and Mexico. After entering the TAAF program, the firm developed an AP focusing on marketing, manufacturing, and support systems. The firm also received

technical assistance with finishing product development on a new industrial fan blade. The new fan blade was at a juncture where it required further development and testing by experts such as engineers, designers, metallurgists, and testing labs. The firm completed its targeted projects and anticipates a full recovery to competitive health. Since entering the TAAF program, the firm has seen sales increase from \$3.8 to \$4.4 million, and has increased its workforce by four to 32 employees.

A Texas manufacturer of high-quality cotton fabric caps was being adversely impacted by imports from China, and was certified as eligible for TAAF assistance in 2012. The firm, while located in a small rural community, has attracted a national clientele for high-quality caps made in Texas from cotton fabric grown and spun in the state. The firm buys its cotton fabric directly from a cooperative association's denim mill in the Texas panhandle. After entering the TAAF program in 2012, the firm developed a multi-project AP designed to assist the firm's business recovery. The first project focused on preparing a manufacturing strategic plan (include green initiatives) and on training personnel. The next project aimed to provide functional information in product costs analysis, report analysis, accounting and computer training. Additionally, the project integrated the firm's electronic sales and ordering processes with the accounting and manufacturing departments, improving efficiency by providing access to real-time information. As of 2013, the firm's sales have increased 25 percent to \$480,000, with no reduction in its workforce.

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

A California firm produces a wide range of interior and exterior finishes and has the capability to meet high volume production requirements of liquid and powder coatings tailored to customer specifications. From 2007 to 2009, the firm experienced a shrinking market share due to competition from foreign imports. As a result, the firm's annual sales in 2009 were down 45 percent, and employment had decreased by 32 percent. With assistance from WTAAC, the firm entered the TAAF program in 2009. The firm's recovery strategy was to focus on those customers requiring high value-added technical support and specialized coating products. The firm will finish its final year in the implementation phase of the TAAF program in 2014. Since beginning its public/private sector partnership with the TAAF program, the firm has successfully implemented two marketing projects and one production project. These projects have helped the firm increase sales by 72 percent to \$5.9 million, and increase employment by 57 percent to 72 employees.

A Hawaii manufacturer of chocolate-covered macadamia nut candies began losing business to lower-cost foreign imports. As a result, by 2009 the firm's sales had decreased by 27 percent to \$1.7 million and employment had decreased by 7 percent to 20 employees. After being approved for TAAF technical assistance in 2009, the firm's management developed a strategy to focus on the expansion of its core business of handmade chocolate confectioneries and cookies. In addition, the firm looked to increase its exports to Asian markets, particularly Japan. To accomplish this expansion, the firm developed a marketing plan to expand their customer base through product research and branding. The firm updated its online presence, helping to promote the new product lines and increase exports. The firm has now successfully completed its fourth year in the implementation phase of the TAAF program. Since entering the TAAF program, its sales have increased by 14 percent to \$1.6

million and employment has increased by 33 percent to 24 employees. The owner commented that these changes could not have been realized without participation in the TAAF program and WTAAC's support.