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Economic Development Administration

Fiscal Year 2012 Annual Report to Congress on the Trade Adjustment Assistance for Firms Program; Notice

DEPARTMENT OF COMMERCE

Economic Development Administration

Fiscal Year 2012 Annual Report to Congress on the Trade Adjustment Assistance for Firms Program

AGENCY: Economic Development Administration, Department of Commerce.

ACTION: Notice .

Pursuant to 255A of chapter 3 of title II of the Trade Act of 1974, as amended (19 U.S.C. 2341 et seq.), the Economic Development Administration (EDA) publishes the Fiscal Year 2012 Annual Report to Congress on the Trade Adjustment Assistance for Firms program.

BILLING CODE 3510–WH–P

FISCAL YEAR 2012

ANNUAL REPORT TO CONGRESS

TRADE ADJUSTMENT ASSISTANCE FOR FIRMS PROGRAM

ECONOMIC DEVELOPMENT ADMINISTRATION

U.S. DEPARTMENT OF COMMERCE

December 15, 2012

"Following completion of assistance from EDA's Trade Adjustment Assistance for Firms (TAAF) program, firms reported that, on average, sales increased by 26.8 percent, employment increased by 13.2 percent, and productivity increased by 11.9 percent."

Key Findings

In September 2012, the U.S. Government Accountability Office (GAO) reported to Congress that the effect of participation by import-impacted U.S. firms in the Trade Adjustment Assistance for Firms (TAAF) program was an increase in firm sales ranging from 5 to 6 percent on average,'' and that ''the effect of the program on productivity was about a 4 percent increase.'' [1] GAO also noted in the report that manufacturing firms, specifically, associate the TAAF program with increased sales and productivity.

Meanwhile, this report—EDA's Annual Report to Congress on the TAAF program—finds that, two years after completing the program in FY 2010, participating firms experienced an average employment increase of 13.2 percent, an average sales increase of 26.8 percent, and an average productivity increase of 11.9 percent. For the sake of comparing TAAF-assisted firms to non-assisted similar firms, the Department of Labor's Bureau of Labor Statistics (BLS) reported that, in FY 2012, the manufacturing industry as a whole experienced an average employment increase of only 3.5 percent and an average productivity increase of 4.1 percent from FY 2010.[2].

Therefore, both GAO and EDA find that the TAAF program has a significant positive impact in helping import-impacted U.S. firms compete in the global marketplace. Additionally, all firms that completed the TAAF program in FY 2010 were in operation at the end of FY 2012, indicating strong survival rates for TAAF-assisted firms.

Furthermore, on May 11, 2012, the Department of Commerce Office of Inspector General (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.[3] 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.'' Therefore, not only does the TAAF program produce results—it does so at reasonable costs.

Background

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.

Administered by the U.S. Department of Commerce's Economic Development Administration (EDA), the goal of the TAAF program is to help economically distressed U.S. businesses develop strategies to compete in the global economy. Through a partnership with a national network of 11 EDA-funded Trade Adjustment Assistance Centers (TAACs), the program provides cost-sharing technical assistance to help eligible businesses create and implement targeted business recovery plans (referred to as ''Adjustment Proposals'' or ''APs'') aimed at boosting global competitiveness, increasing sales and retaining and creating jobs. The TAACs, which are either independent or university-affiliated entities, provide support to import-impacted firms in a public-private collaborative framework. The TAAF program provides a portion of the assistance while participating firms contribute a matching share to create and implement their recovery plans.

EDA's partnership with the TAAC network across the country allows firms to receive customized assistance from highly qualified experts who are knowledgeable about the needs, challenges and opportunities facing the industries in their region. The most common types of assistance provided in FY 2012 were marketing/sales improvement and production/engineering projects, which comprised over half of all projects supported throughout the year.

In January 2011, as authorization of the Trade Adjustment Assistance (TAA) programs at the U.S. Department of Labor (DOL), U.S. Department of Agriculture (USDA) and EDA was about to expire, Congress passed the Omnibus Trade Act of 2010 (Pub. L. 111–344). This Act extended the TAAF program through February 12, 2012, but allowed some provisions—such as eligibility for service firms and expanded time periods for qualifying firm eligibility—provided under the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) to expire on February 13, 2011.[4] The TAAF program remained authorized in FY 2011 and continued to operate at FY 2010 spending levels of $15.8 million under a full-year continuing resolution, which prevented interruption of program operations.

On October 21, 2011, the President signed into law the Trade Adjustment Assistance Extension Act of 2011 (Pub. L. 112–40). This Act retroactively extended the provisions of the TAA programs that were enacted as part of the TGAAA.

The expiration of the TGAAA provisions did, however, limit the number of firms entering the program as TAACs were unable to assist service firms or use extended ''look-back periods'' to certify firms. In addition, uncertainty regarding the TAAF program's future caused TAACs to focus on existing clients instead of recruiting new firms.

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

In terms of inputs, the TAAF program effectively targeted small and medium-sized firms in FY 2012. TAACs provided technical assistance to 341 firms in preparing petitions, 206 firms in preparing APs, and 935 firms in implementing projects within their APs. Meanwhile, EDA certified 79 petitions and approved 102 APs.

EDA successfully met both the 40-day processing deadline (to make a final determination for petitions accepted for filing) and the 60-day processing deadline for approval of APs, as required in the TGAAA. In FY 2012, the average processing time for petitions was 29 business days, and the average processing time for APs was 21 business days.

In order to assess the effectiveness of the TAAF program in terms of outputs, EDA assesses the extent to which client firms increased their sales, employment levels, and productivity following the implementation of TAAF-supported

[1] U.S. Government Accountability Office (GAO), *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve (GAO–12–930),* September 13, 2012.

[2] BLS does not collect a sales measure comparable to EDA's measure in this report (i.e. average sales per employee).

[3] The information was requested in the House Committee Report that accompanied the FY 2012 Commerce, Justice, Science, and Related Agencies Appropriations bill.

[4] The TGAAA was included as subtitle I (letter ''I'') of title I of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111–5, Stat. 115 at 367).

projects (program completion). To measure these outputs, EDA compares average sales, average employment and average productivity of all firms completing the program in a particular year (the most recent ''base year'') to these same measures for the same firms one and two years following program completion. The base year used for this report is FY 2010, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

Firms that completed the TAAF program in FY 2010 report that, at completion, average sales were $10.1 million, average employment was 53 and average sales per employee (productivity) was $191,328. One year after completing the program (FY 2011), these same firms reported that average sales increased by 11.4 percent, average employment increased by 13.2 percent, and average productivity decreased by 1.6 percent. For the sake of comparison to the universe of U.S. manufacturers, the U.S. Bureau of Labor Statistics (BLS) reports that, in FY 2011, the national manufacturing industry in aggregate experienced an average employment increase of only 1.9 percent.

Two years after completing the program (FY 2012), these same firms reported that average sales increased by 26.8 percent, average employment increased by 13.2 percent, and average productivity increased by 11.9 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2012 experienced an average employment increase of 3.5 percent and average productivity increase of 4.1 percent from FY 2010. Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole. Additionally, all firms that completed the TAAF program in FY 2010 were in operation as of the end of FY 2012, indicating strong survival rates for TAAF-assisted firms. It should be noted that TAAF clients are operating in the same economic environment as other firms, but are also attempting to adjust to import pressures that may not impact other firms as severely, making the success of TAAF-assisted firms even more notable.

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Introduction

This report is provided in compliance with Section 255A of chapter 3 of title II of the Trade Act. Section 255A of the Trade Act directs the Secretary of Commerce to provide an annual report on the Trade Adjustment Assistance for Firms (TAAF) program by the 15th of December. Section 255 of the Trade Act states:

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

This report will provide findings and results classified by intermediary organization,[5] state, and national totals,[6] 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.

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

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

[6] See chapter 3 of title II of the Trade Act, section 255A (b) *Classification of Data.*

Section 253(b)(1) and by each organization to administer the program.

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

Program Description

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

The mission of the TAAF program is to help U.S. firms regain competitiveness in the global economy. Import-impacted U.S. manufacturing, production and service firms can receive matching funds for projects that 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.

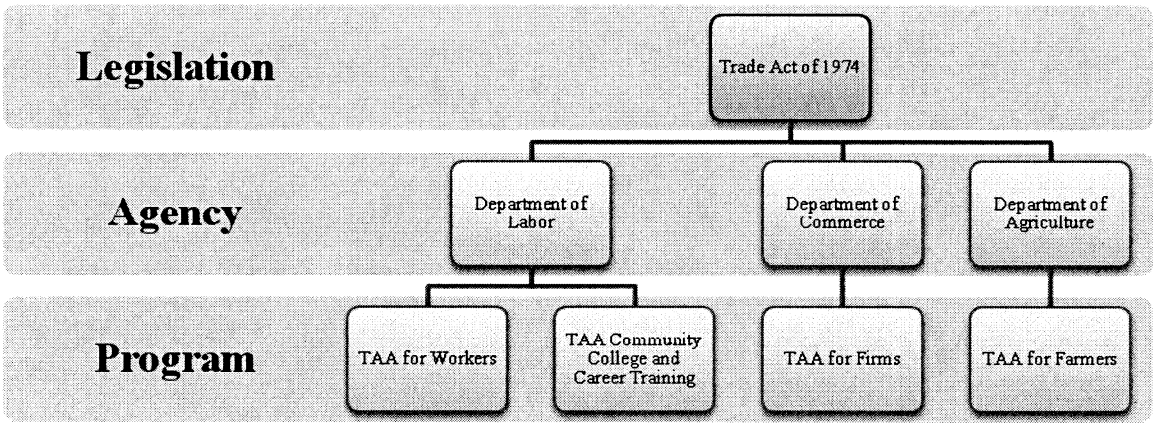
The TAAF program supports a national network of 11 independent non-profit or university-affiliated TAACs to help U.S. manufacturing, production, and service firms in all 50 States, the District of Columbia and the Commonwealth of Puerto Rico. Firms work with the TAACs to apply for certification of eligibility for TAAF assistance, and prepare and implement strategies to guide their economic recovery.

EXHIBIT 1—TAACS AND THEIR RESPECTIVE SERVICE AREAS

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

The TAAF program is one of four distinct programs authorized under the Trade Act. The other TAA programs are TAA for Workers and TAA for Community Colleges, which are both administered by DOL, and TAA for Farmers, which is administered by USDA.

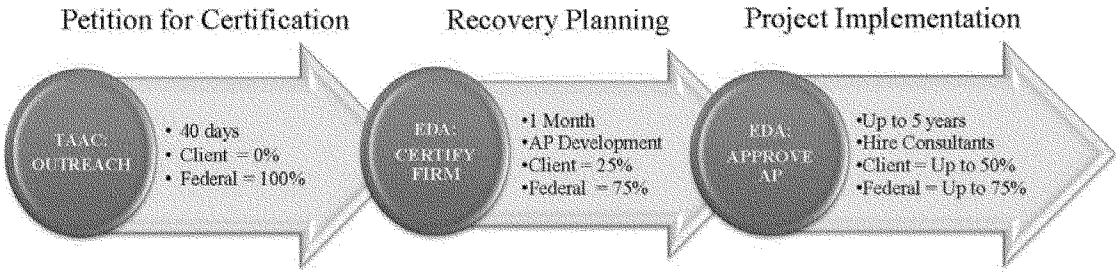
Exhibit 2: TAA Programs



Program Initiative

As noted above, the TAAF program provides technical assistance to help firms develop and implement business recovery plans, or APs. Projects identified in the AP are designed to improve a firm's competitive position. Specifically, under the TAAF program, funds are applied toward helping firms access consultants, engineers, designers or industry experts to implement business improvement projects. These projects may cover a range of functional areas to improve a firm's market position and increase its overall competitiveness, including engineering, information technology, management, market development, marketing, new product development, quality improvement and sales. Funds are not provided directly to firms; instead, EDA funds TAACs and TAACs use funds to pay a cost-shared proportion of the cost to secure specialized business consultants.

Exhibit 3: Program Phases



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

Phase I—Petitioning for Certification

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 complete and submit a petition to EDA.

Upon receipt of the petition, EDA performs an analysis of the petition and supporting documents to determine if the petition is complete and may be accepted. EDA is required to make a final determination on the petition within 40 days of accepting a petition.[7]

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

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

[7] As of May 17, 2009, the deadline for making a final determination is 40 days. Before May 17, 2009, EDA had 60 days to make a determination.

Phase II—Recovery Planning

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

Phase III—AP Implementation

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

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

• Assisting firms in preparing their petitions for TAAF. Firms are not charged for any assistance related to the preparation of a petition.

• Once a petition has been approved, TAACs work closely with a firm's management to identify the firm's strengths and weaknesses and develop a customized business strategy (AP) designed to foster competitiveness. The program pays up to 75% of the cost of developing an AP and the firm must pay the rest. EDA must approve all APs to ensure they conform to statutory and regulatory requirements.

• After an AP has been approved, company management and TAAC staff jointly identify consultants with the specific expertise required to assist the firm in implementing their competitiveness strategy.

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

Results/Findings

Data for This Report

The data used in this report were collected from the TAACs as part of their reporting requirements, petitions for certification, and the APs submitted by the TAACs on behalf of firms. Eligibility Reviewers at EDA recorded data from these sources into a central database. The data presented in this report has been verified by the TAACs. Results for average processing times were derived by EDA. Data in this report reflect data as of the end of FY 2012. 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 2012, the TAACs received 1,849 inquiries about the program.

Exhibit 4: Inquiries about the TAAF program by TAAC

TAAC	No. of firms that inquired about the TAAF program
Great Lakes	65

TAAC	No. of firms that inquired about the TAAF program
Mid-America	140
Mid-Atlantic	79
Midwest	49
New England	34
New York State	79
Northwest	81
Rocky Mountain	263
Southeastern	53
Southwest	390
Western	616
Total	1,849

(2) The number of petitions filed under section 251

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

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

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

In terms of inputs, the TAAF program effectively targeted small and medium-sized firms in FY 2012. EDA received 85 petitions, of which 83 were filed (accepted for investigation) under section 251 of the Trade Act, down by 46 petitions, a 36 percent decrease, compared to the number of petitions filed in FY 2011. EDA certified 79 petitions, down by 70 petitions, a 47 percent decrease compared to the number of certifications in FY 2011.[8] Petitions are certified on a rolling basis throughout the year. Petitions certified in FY 2012 may be the result of those received or filed (accepted) in FY 2011, while petitions received or filed (accepted) in FY 2012 may not result in certification in FY 2012.

EDA met the 40-day processing deadline (to make a final determination for petitions accepted for filing) in FY 2012. In fact, the averageprocessing time for petitions was 29 business days.

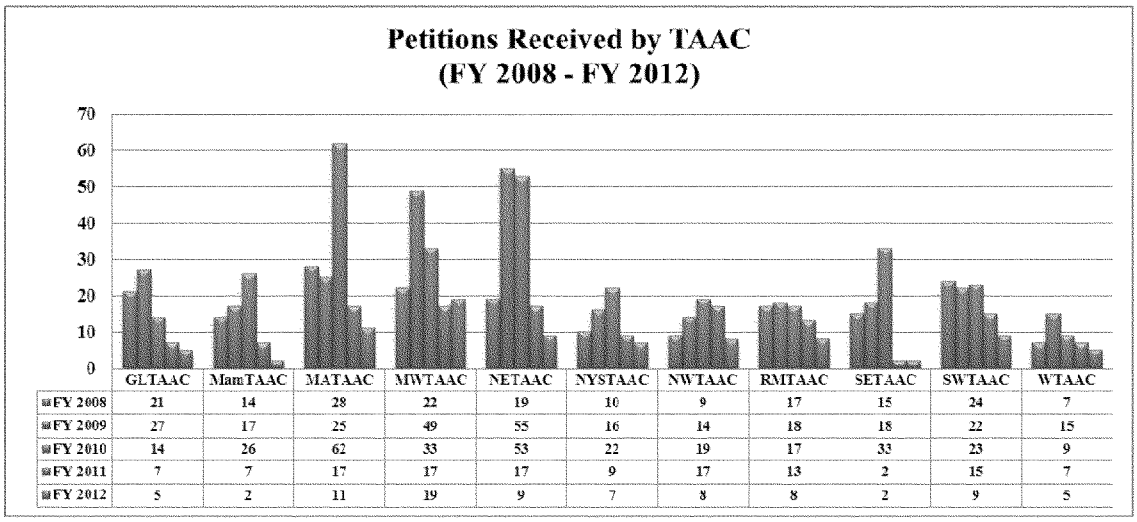
EXHIBIT 5—PETITION ACTIVITY: FY 2008—FY 2012[9]

FY	Number of petitions received	Number of petitions accepted for filing	Number of petitions certified	Number of petitions denied or withdrawn	Average days between acceptance (filing) and certification	Average days between receipt and certification
2008	186	189	182	0	35	43
2009	276	243	216	1	30	51
2010	311	329	330	0	31	74
2011	128	129	149	22	21	36
2012	85	83	79	3	29	58
% Change (2011 to 2012)	(34%)	(36%)	(47%)	(86%)	38%	61%

[8] 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.

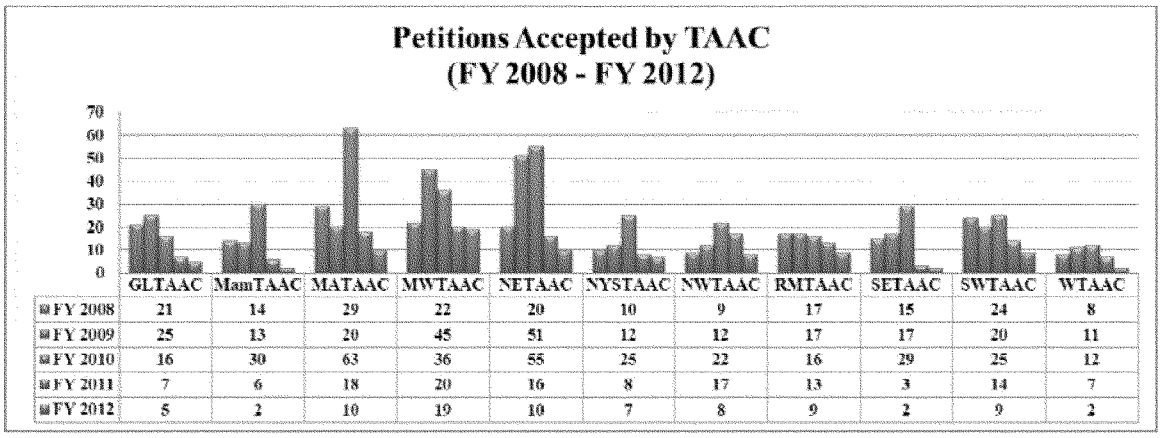
[9] Petitions are certified on a rolling basis throughout the year, therefore activity in these categories may not result in certification within the same FY. These totals represent the activity under each category within FY 2012.

Exhibit 6: Petitions Received by TAAC: FY 2008 – FY 2012



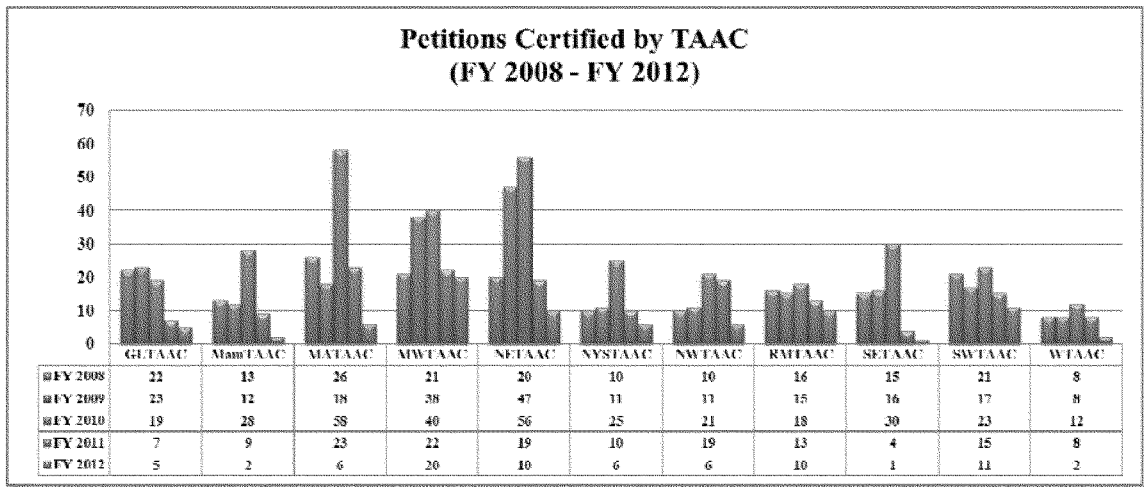
	GLTAAC	MamTAAC	MATAAC	MWTAAC	NETAAC	NYSTAAC	NWTAAC	RMTAAC	SETAAC	SWTAAC	WTAAC
FY 2008	21	14	28	22	19	10	9	17	15	24	7
FY 2009	27	17	25	49	55	16	14	18	18	22	15
FY 2010	14	26	62	33	53	22	19	17	33	23	9
FY 2011	7	7	17	17	17	9	17	13	2	15	7
FY 2012	5	2	11	19	9	7	8	8	2	9	5

Exhibit 7: Petitions Accepted by TAAC: FY 2008 – FY 2012



	GLTAAC	MamTAAC	MATAAC	MWTAAC	NETAAC	NYSTAAC	NWTAAC	RMTAAC	SETAAC	SWTAAC	WTAAC
FY 2008	21	14	29	22	20	10	9	17	15	24	8
FY 2009	25	13	20	45	51	12	12	17	17	20	11
FY 2010	16	30	63	36	55	25	22	16	29	25	12
FY 2011	7	6	18	20	16	8	17	13	3	14	7
FY 2012	5	2	10	19	10	7	8	9	2	9	2

Exhibit 8: Petitions Certified by TAAC: FY 2008 – FY 2012



	GLTAAC	MamTAAC	MATAAC	MWTAAC	NETAAC	NYSTAAC	NWTAAC	RMTAAC	SETAAC	SWTAAC	WTAAC
FY 2008	22	13	26	21	20	10	10	16	15	21	8
FY 2009	23	12	18	38	47	11	11	15	16	17	8
FY 2010	19	28	58	40	56	25	21	18	30	23	12
FY 2011	7	9	23	22	19	10	19	13	4	15	8
FY 2012	5	2	6	20	10	6	6	10	1	11	2

EXHIBIT 9—PETITIONS RECEIVED, ACCEPTED (FILED) AND CERTIFIED BY TAAC: FY 2012

TAAC	Number of petitions received	Number of petitions accepted for filing	Number of petitions certified
Great Lakes	5	5	5
Mid-America	2	2	2
MidAtlantic	11	10	6
Midwest	19	19	20
New England	9	10	10
New York State	7	7	6
Northwest	8	8	6
Rocky Mountain	8	9	10
Southeastern	2	2	1
Southwest	9	9	11
Western	5	2	2
Total	85	83	79

Exhibit 10: Petitions Received, Accepted (Filed) and Certified by TAAC: FY 2012

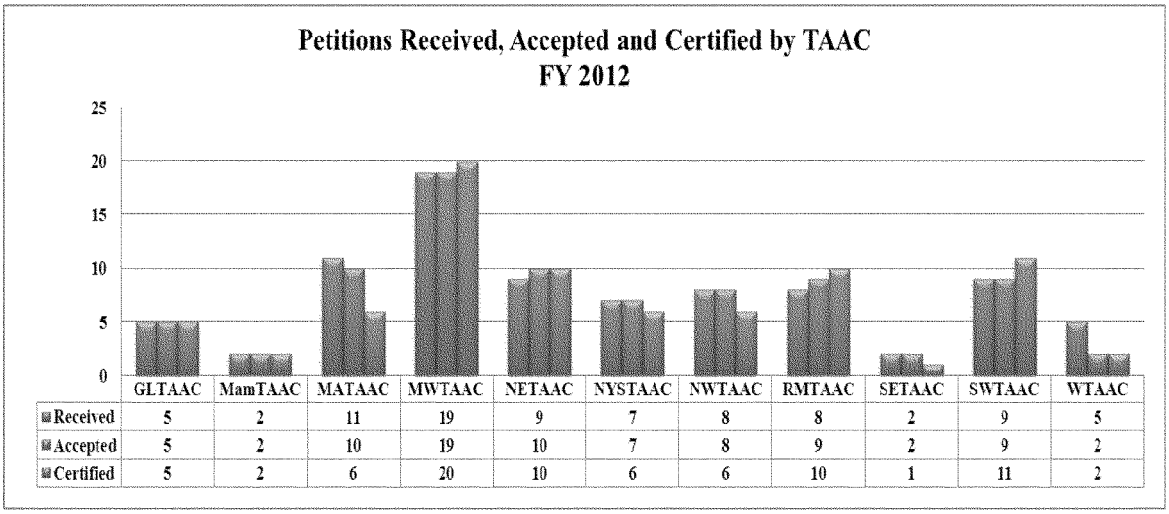


EXHIBIT 11—PETITIONS FILED, ACCEPTED, AND CERTIFIED BY TAAC/STATE: FY 2012

TAAC/State	Petitions received	Petitions accepted for filing	Petitions certified
Great Lakes	5	5	5
IN	0	0	0
MI	3	3	3
OH	2	2	2
Mid-America	2	2	2
AR	0	0	0
KS	1	1	1
MO	1	1	1
Mid-Atlantic	11	10	6
DC	0	0	0
DE	0	0	0
MD	0	0	0
NJ	2	1	0
PA	9	9	6
VA	0	0	0
WV	0	0	0
Midwest	19	19	20
IA	2	2	2
IL	13	13	13
MN	1	1	1
WI	3	3	4
New England	9	10	10
CT	1	1	1
MA	3	4	4
ME	2	2	2

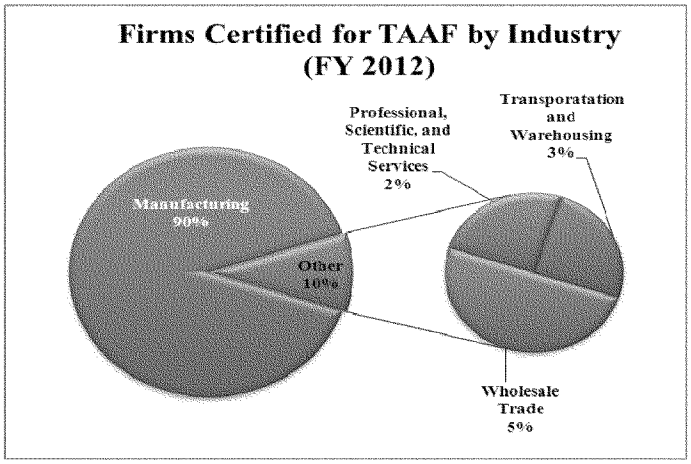
EXHIBIT 11—PETITIONS FILED, ACCEPTED, AND CERTIFIED BY TAAC/STATE: FY 2012—Continued

TAAC/State	Petitions received	Petitions accepted for filing	Petitions certified
NH	0	0	0
RI	1	1	1
VT	2	2	2
New York State	7	7	6
NY	7	7	6
Northwest	8	8	6
AK	0	0	0
ID	2	2	2
MT	1	1	1
OR	2	2	1
WA	3	3	2
.....	.....	.....	.....
Rocky Mountain	8	9	10
CO	3	4	4
NE	0	0	1
NM	0	0	0
ND	0	0	0
SD	2	2	2
UT	2	2	2
WY	1	1	1
Southeastern	2	2	1
AL	1	1	1
FL	0	0	0
GA	0	0	0
KY	0	0	0
MS	0	0	0
NC	1	1	0
SC	0	0	0
TN	0	0	0
PR	0	0	0
Southwest	9	9	11
LA	2	2	4
OK	0	0	0
TX	7	7	7
Western	5	2	2
AZ	2	1	1
CA	1	0	0
NV	2	1	1
Total	85	83	79

The majority of petitions certified under the TAAF program were submitted by firms in the manufacturing industry. Firms in technical services, transportation, and wholesale trade rounded out the remaining industries[10].

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

Exhibit 12: Firms Certified for TAAF by Industry: FY 2012



In FY 2012, 6 percent of firms certified for TAAF were identified by the TAACs as service sector firms.[11] This is an increase over FY 2011, where 2 percent of firms certified were identified by the TAACs as service sector firms. As a result the Trade Adjustment Assistance Extension Act of 2011 (Pub. L. 112–40), which retroactively extended the provisions of the TAA programs that were enacted as part of the TGAAA, demand from service firms is likely to continue to increase.

EXHIBIT 13—FIRMS CERTIFIED FOR TAAF SERVICE VS. MANUFACTURING: FY 2012

FY	Total number of firms certified	Manufacturing firms	Percentage of manufacturing firms certified (percent)	Service firms	Percentage of service firms certified (percent)
2011	149	146	98	3	2
2012	79	74	94	5	6

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

EXHIBIT 14—PETITIONS FILED (ACCEPTED) AND CERTIFIED BY CONGRESSIONAL DISTRICT: FY 2012

TAAC/State congressional district	Petitions accepted for filing	Petitions certified
Great Lakes	5	5
IN	0	0
MI	3	3
2	1	1
3	1	1
4	1	1
OH	2	2
6	1	1
11	1	1
Mid-America	2	2
AR	0	0
KS	1	1
4	1	1
MO	1	1
8	1	1
MidAtlantic	10	6
DC	0	0
DE	0	0

EXHIBIT 14—PETITIONS FILED (ACCEPTED) AND CERTIFIED BY CONGRESSIONAL DISTRICT: FY 2012—Continued

TAAC/State congressional district	Petitions accepted for filing	Petitions certified
MD	0	0
NJ	1	0
7	1	0
PA	9	6
1	1	1
3	1	0
8	1	1
10	1	1
11	1	1
15	1	0
19	3	2
VA	0	0
WV	0	0
Midwest	19	20
IA	2	2
1	1	1
4	1	1
IL	13	13
1	1	1
5	1	2
6	1	1
7	2	2

EXHIBIT 14—PETITIONS FILED (ACCEPTED) AND CERTIFIED BY CONGRESSIONAL DISTRICT: FY 2012—Continued

TAAC/State congressional district	Petitions accepted for filing	Petitions certified
8	2	1
10	4	4
14	1	1
16	1	1
MN	1	1
4	1	1
WI	3	4
4	1	1
6	0	1
7	2	2
New England	10	10
CT	1	1
2	1	1
MA	4	4
2	1	1
5	1	1
9	1	1
10	1	1
ME	2	2
1	2	2
NH	0	0
RI	1	1

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

EXHIBIT 14—PETITIONS FILED (ACCEPTED) AND CERTIFIED BY CONGRESSIONAL DISTRICT: FY 2012—Continued

TAAC/State congressional district	Petitions accepted for filing	Petitions certified
2	1	1
VT	2	2
1	1	1
5	1	1
New York State	7	6
NY	7	6
5	1	1
14	1	1
20	1	0
21	1	1
24	1	1
29	2	2
Northwest	8	6
AK	0	0
ID	2	2
1	1	1
2	1	1
MT	1	1
At-Large	1	1
OR	2	1
2	2	1
WA	3	2
2	2	1
3	1	1
Rocky Mountain	9	10
CO	4	4
1	2	2
2	1	1
6	1	1
NE	0	1
2	0	1
NM	0	0
ND	0	0
SD	2	2
At-Large	2	2
UT	2	2
1	1	1
2	1	1
WY	1	1
At-Large	1	1
Southeastern	2	1
AL	1	1
3	1	1
FL	0	0
GA	0	0
KY	0	0
MS	0	0
NC	1	0
12	1	0
SC	0	0
TN	0	0
PR	0	0
Southwest	9	11
LA	2	4
1	1	2
3	1	2
OK	0	0
TX	7	7
6	1	1
13	2	2
20	1	1
23	1	1
26	1	1
28	1	1
Western	2	2
AZ	1	1
4	1	1
CA	0	0
NV	1	1
2	1	1
Total	83	79

(6) Of the number of petitions filed, the number of firms that entered the program and received benefits[12]

In FY 2012, 83 petitions were accepted (filed) for certification, of which 79 were certified. Of the 79 firms certified in FY 2012, 57 firms submitted and were approved for an AP in the same fiscal year[13].

EXHIBIT 15—PETITIONS CERTIFIED AND APS APPROVED: FY 2012

TAAC	Number of petitions accepted for filing	Number of petitions certified	Number of APs approved for firms certified in FY 2012
Great Lakes	5	5	5
Mid-America	2	2	1
MidAtlantic	10	6	2
Midwest	19	20	16
New England	10	10	10
New York State	7	6	2
Northwest	8	6	6
Rocky Mountain	9	10	10
Southeastern	2	1	1
Southwest	9	11	4
Western	2	2	0
Total	83	79	57

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

In FY 2012, 341 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 2012

EXHIBIT 16—PETITION ASSISTANCE ACTIVITY: FY 2012

TAAC	Petition Assistance
Great Lakes	13
Mid-America	15
MidAtlantic	22

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

[13] 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 2012 that also submitted and received an approved business recovery plan in the same fiscal year. The total number of APs approved in FY 2012 is reported in Exhibits 19, 20 and 21.

EXHIBIT 16—PETITION ASSISTANCE ACTIVITY: FY 2012—Continued

TAAC	Petition Assistance
Midwest	117
New England	10
New York State	36
Northwest	18
Rocky Mountain	15
Southeastern	36
Southwest	37
Western	22
Total	341

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

In FY 2012, 206 firms received assistance in developing APs and 935 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 2012

TAAC	AP Development Assistance
Great Lakes	7
Mid-America	6
MidAtlantic	12
Midwest	61
New England	14
New York State	25
Northwest	11
Rocky Mountain	11
Southeastern	5
Southwest	48
Western	6
Total	206

EXHIBIT 18—AP IMPLEMENTATION ACTIVITY: FY 2012

TAAC	AP Implementation Assistance
Great Lakes	71
Mid-America	153

EXHIBIT 18—AP IMPLEMENTATION ACTIVITY: FY 2012—Continued

TAAC	AP Implementation Assistance
MidAtlantic	81
Midwest	142
New England	133
New York State	45
Northwest	80
Rocky Mountain	74
Southeastern	65
Southwest	52
Western	39
Total	935

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

In FY 2012, EDA approved 102 APs, down by 81 compared to FY 2011, a 44 percent decrease over this period [14]. EDA successfully met the 60-day processing deadline for approval of APs. The average processing time for APs was 21 business days [15].

EXHIBIT 19—SUMMARY OF APS APPROVED: FY 2008—FY 2012

FY	Number of APs approved	Total government share	Total firm share	Total projected AP costs	Average government assistance per firm	Average days between submission and approval
2008	143	$8,202,625	$7,711,375	$15,914,000	$57,361	21
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
Total	864	51,558,210	48,957,522	100,515,732	59,674	20
% Change (2011 to 2012)	(44%)	(51%)	(52%)	(52%)	(12%)	31%

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

[15] Firms have two years from the date of certification to submit an AP to EDA. APs approved in FY 2012 may represent firms that were certified for TAAF between FY 2010—FY 2012.

Exhibit 20: APs Approved by TAAC: FY 2008 – FY 2012

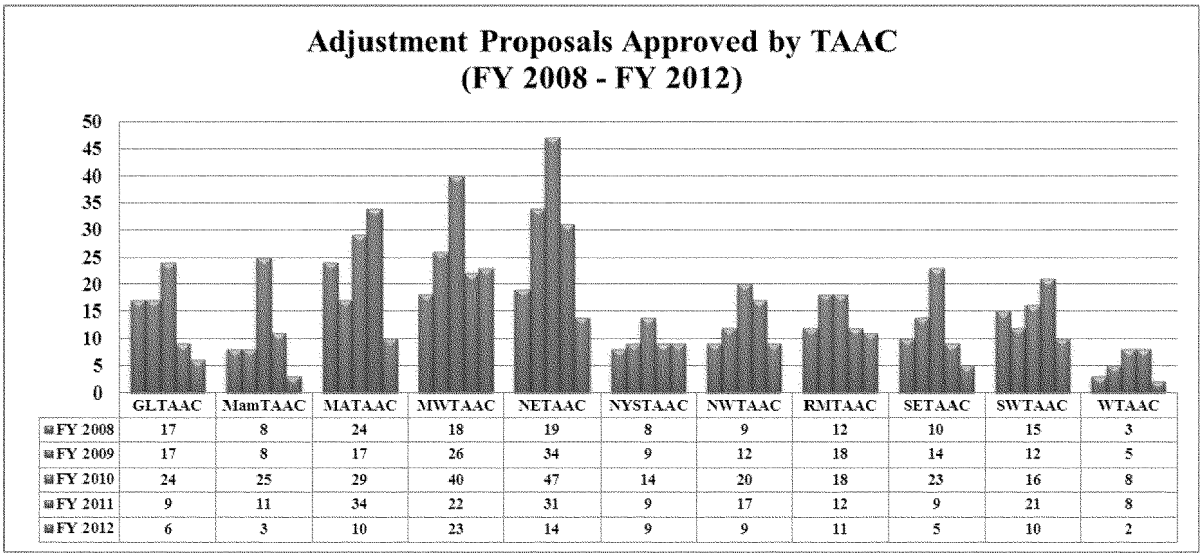


Exhibit 21: APs Approved by TAAC/ State: FY 2012

EXHIBIT 20—APS APPROVED BY TAAC: FY 2008—FY 2012

TAAC/State	Number of APs approved	Government share of approved AP projects	Firm share of approved AP projects	Total approved AP projects
Great Lakes	6	$345,000	$315,000	$660,000
MI	3	172,500	157,500	330,000
OH	3	172,500	157,500	330,000
Mid-America	3	225,000	225,000	450,000
KS	2	150,000	150,000	300,000
MO	1	75,000	75,000	150,000
MidAtlantic	10	519,650	504,650	1,024,300
PA	10	519,650	504,650	1,024,300
Midwest	23	1,177,972	1,057,972	2,235,944
IA	1	22,500	7,500	30,000
IL	17	885,472	810,472	1,695,944
MN	1	75,000	75,000	150,000
WI	4	195,000	165,000	360,000
New England	14	600,000	510,000	1,110,000
CT	3	122,500	107,500	230,000
MA	5	130,000	70,000	200,000
ME	2	150,000	150,000	300,000
RI	2	47,500	32,500	80,000
VT	2	150,000	150,000	300,000
.....	.....	.....	.....	.....
New York State	9	604,000	590,000	1,194,000
NY	9	604,000	590,000	1,194,000
Northwest	9	583,333	568,333	1,151,666
ID	3	172,500	157,500	330,000
MT	1	75,000	75,000	150,000
OR	2	128,000	128,000	256,000
WA	3	207,833	207,833	415,666
Rocky Mountain	11	527,500	527,500	1,055,000
CO	4	160,000	160,000	320,000
NE	1	30,000	30,000	60,000
NM	1	75,000	75,000	150,000
SD	2	82,500	82,500	165,000
UT	2	150,000	150,000	300,000
WY	1	30,000	30,000	60,000
.....	.....	.....	.....	.....
Southeastern	5	217,500	172,500	390,000
AL	1	75,000	75,000	150,000
GA	1	22,500	7,500	30,000
NC	2	97,500	82,500	180,000

EXHIBIT 20—APS APPROVED BY TAAC: FY 2008—FY 2012—Continued

TAAC/State	Number of APs approved	Government share of approved AP projects	Firm share of approved AP projects	Total approved AP projects
SC	1	22,500	7,500	30,000
Southwest	10	592,500	547,500	1,140,000
LA	3	120,000	90,000	210,000
OK	2	150,000	150,000	300,000
TX	5	322,500	307,500	630,000
Western	2	45,000	15,000	60,000
CA	2	45,000	15,000	60,000
Total	102	5,437,455	5,033,455	10,470,910

(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 2012, 145 firms exited the TAAF program after being approved for an AP. Nationally, firms receive on average 57 months [16] of benefits under the TAAF program. When calculating the average duration of benefits regionally, firms received on average 55 months of benefits under the TAAF program.

EXHIBIT 22: AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM: FY 2012

Firm number	No. of months firms received benefits under TAAF program
GLTAAC–EXT–001	34
GLTAAC–EXT–002	56
GLTAAC–EXT–003	53
GLTAAC–EXT–004	39
MamTAAC–EXT–001	63
MamTAAC–EXT–002	66
MamTAAC–EXT–003	135
MamTAAC–EXT–004	15
MamTAAC–EXT–005	82
MamTAAC–EXT–006	78
MamTAAC–EXT–007	78
MamTAAC–EXT–008	48
MamTAAC–EXT–009	66
MamTAAC–EXT–010	65
MamTAAC–EXT–011	64
MamTAAC–EXT–012	38
MamTAAC–EXT–013	91
MamTAAC–EXT–014	84
MamTAAC–EXT–015	74
MamTAAC–EXT–016	56
MamTAAC–EXT–017	90
MamTAAC–EXT–018	25

[16] 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 22: AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM: FY 2012—Continued

Firm number	No. of months firms received benefits under TAAF program
MamTAAC–EXT–019	70
MamTAAC–EXT–020	76
MamTAAC–EXT–021	32
MamTAAC–EXT–022	72
MamTAAC–EXT–023	72
MamTAAC–EXT–024	78
MamTAAC–EXT–025	63
MamTAAC–EXT–026	24
MamTAAC–EXT–027	25
MamTAAC–EXT–028	43
MamTAAC–EXT–029	70
MamTAAC–EXT–030	79
MamTAAC–EXT–031	70
MamTAAC–EXT–032	71
MamTAAC–EXT–033	71
MamTAAC–EXT–034	83
MATAAC–EXT–001	23
MATAAC–EXT–002	53
MATAAC–EXT–003	16
MATAAC–EXT–004	53
MATAAC–EXT–005	59
MATAAC–EXT–006	34
MATAAC–EXT–007	46
MATAAC–EXT–008	35
MATAAC–EXT–009	46
MATAAC–EXT–010	59
MATAAC–EXT–011	41
MATAAC–EXT–012	32
MATAAC–EXT–013	72
MWTAAC–EXT–001	25
MWTAAC–EXT–002	24
MWTAAC–EXT–003	79
MWTAAC–EXT–004	72
MWTAAC–EXT–005	68
MWTAAC–EXT–006	76
MWTAAC–EXT–007	69
MWTAAC–EXT–008	65
MWTAAC–EXT–009	48
MWTAAC–EXT–010	61
MWTAAC–EXT–011	61
MWTAAC–EXT–012	71
MWTAAC–EXT–013	32
MWTAAC–EXT–014	24
MWTAAC–EXT–015	24
MWTAAC–EXT–016	72

EXHIBIT 22: AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM: FY 2012—Continued

Firm number	No. of months firms received benefits under TAAF program
NETAAC–EXT–001	19
NETAAC–EXT–002	64
NETAAC–EXT–003	53
NETAAC–EXT–004	23
NETAAC–EXT–005	18
NETAAC–EXT–006	22
NETAAC–EXT–007	14
NETAAC–EXT–008	42
NETAAC–EXT–009	33
NETAAC–EXT–010	70
NETAAC–EXT–011	53
NETAAC–EXT–012	23
NETAAC–EXT–013	26
NETAAC–EXT–014	25
NETAAC–EXT–015	33
NWTAAC–EXT–001	71
NWTAAC–EXT–002	92
NWTAAC–EXT–003	21
NWTAAC–EXT–004	81
NWTAAC–EXT–005	80
NWTAAC–EXT–006	82
NWTAAC–EXT–007	20
NWTAAC–EXT–008	13
NWTAAC–EXT–009	63
NWTAAC–EXT–010	20
NWTAAC–EXT–011	20
NWTAAC–EXT–012	40
NYSTAAC–EXT–001	43
NYSTAAC–EXT–002	22
NYSTAAC–EXT–003	64
NYSTAAC–EXT–004	49
RMTAAC–EXT–001	51
RMTAAC–EXT–002	81
RMTAAC–EXT–003	84
RMTAAC–EXT–004	81
RMTAAC–EXT–005	60
RMTAAC–EXT–006	69
RMTAAC–EXT–007	67
RMTAAC–EXT–008	36
RMTAAC–EXT–009	72
RMTAAC–EXT–010	36
RMTAAC–EXT–011	29
RMTAAC–EXT–012	79
RMTAAC–EXT–013	30
RMTAAC–EXT–014	77

EXHIBIT 22: AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM: FY 2012—Continued

Firm number	No. of months firms received benefits under TAAF program
RMTAAC–EXT–015	46
RMTAAC–EXT–016	78
RMTAAC–EXT–017	75
RMTAAC–EXT–018	49
SETAAC–EXT–001	36
SETAAC–EXT–002	30
SETAAC–EXT–003	45
SETAAC–EXT–004	36
SETAAC–EXT–005	36
SETAAC–EXT–006	53
SETAAC–EXT–007	80
SETAAC–EXT–008	73
SWTAAC–EXT–001	80
SWTAAC–EXT–002	26
SWTAAC–EXT–003	26
SWTAAC–EXT–004	68
SWTAAC–EXT–005	68
SWTAAC–EXT–006	69
SWTAAC–EXT–007	66
SWTAAC–EXT–008	80
SWTAAC–EXT–009	74
SWTAAC–EXT–010	24
WTAAC–EXT–001	90
WTAAC–EXT–002	122
WTAAC–EXT–003	81
WTAAC–EXT–004	91
WTAAC–EXT–005	116

EXHIBIT 22: AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM: FY 2012—Continued

Firm number	No. of months firms received benefits under TAAF program
WTAAC–EXT–006	87
WTAAC–EXT–007	82
WTAAC–EXT–008	127
WTAAC–EXT–009	114
WTAAC–EXT–010	108
WTAAC–EXT–011	109
Total National Average	57

EXHIBIT 23—AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM BY TAAC (REGION): FY 2012

TAAC	Average Number of months firms received benefits
Great Lakes	46
Mid-America	65
Mid-Atlantic	44
Midwest	54
New England	35

EXHIBIT 23—AVERAGE DURATION OF BENEFITS RECEIVED—FIRMS THAT COMPLETED PROGRAM BY TAAC (REGION): FY 2012—Continued

TAAC	Average Number of months firms received benefits
New York State	45
Northwest	50
Rocky Mountain	61
Southeastern	49
Southwest	58
Western	102

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

In FY 2012, 889 active firms participated in the TAAF program. A firm that has been certified for TAAF, and/or has an approved AP, has not completed all projects in their AP, and is still engaged in the TAAF program is considered ''active.'' For the purposes of this report, productivity is defined as net sales per employee. Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee is utilized as a standardized measure for assessing productivity across all firms assisted.

EXHIBIT 24—SALES, EMPLOYMENT, AND PRODUCTIVITY [17] AT ALL FIRMS PARTICIPATING IN THE TAAF PROGRAM IN FY 2012 BY TAAC AND STATE:

TAAC/State	Total No. of Active Firms in FY 2012	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
Great Lakes	73	$1,791,172,281	9,760	$183,522
IN	18	278,004,201	2,253	123,393
MI	31	547,706,669	2,254	242,993
OH	24	965,461,411	5,253	183,792
Mid-America	46	682,877,581	4,951	137,927
AR	7	16,401,481	340	48,240
KS	15	149,072,277	1,436	103,811
MO	24	517,403,823	3,175	162,962
MidAtlantic	90	1,049,770,941	6,548	160,319
MD	3	5,500,143	47	117,024
NJ	4	22,286,404	195	114,289
PA	80	1,008,680,988	6,121	164,790
VA	3	13,303,406	185	71,910
Midwest	137	2,212,081,842	11,961	184,941
IA	5	120,097,360	519	231,401
IL	81	843,583,273	4,887	172,618
MN	23	367,933,664	2,512	146,470
WI	28	880,467,545	4,043	217,776
New England	133	1,011,453,493	6,479	156,113
CT	19	135,382,965	926	146,202
MA	60	400,041,096	2,574	155,416
ME	15	230,970,276	1,177	196,236
NH	20	131,043,944	902	145,282
RI	16	77,235,126	619	124,774
VT	3	36,780,086	281	130,890
New York State	61	1,172,727,977	4,823	243,153
NY	61	1,172,727,977	4,823	243,153

EXHIBIT 24—SALES, EMPLOYMENT, AND PRODUCTIVITY [17] AT ALL FIRMS PARTICIPATING IN THE TAAF PROGRAM IN FY 2012 BY TAAC AND STATE:—Continued

TAAC/State	Total No. of Active Firms in FY 2012	Total Sales at Certification	Total Employment at Certification	Total Average Productivity
Northwest	85	913,564,319	5,745	159,019
AK	4	22,825,992	110	207,509
ID	11	62,150,148	688	90,335
MT	11	54,667,266	415	131,728
OR	20	419,792,240	2,211	189,865
WA	39	354,128,673	2,321	152,576
Rocky Mountain	67	2,479,134,862	10,068	246,239
CO	28	994,105,459	2,956	336,301
ND	6	155,904,843	714	218,354
NE	5	32,840,837	243	135,147
NM	4	40,663,880	290	140,220
SD	8	342,138,076	1,246	274,589
UT	13	862,552,034	4,302	200,500
WY	3	50,929,733	317	160,662
Southeastern	67	998,693,863	10,038	99,491
AL	4	28,653,300	346	82,813
FL	6	18,996,354	191	99,457
GA	13	90,265,046	978	92,296
KY	3	91,456,507	488	187,411
MS	1	2,496,868	21	118,898
NC	25	511,427,054	6,607	77,407
SC	10	183,496,458	922	199,020
TN	5	71,902,276	485	148,252
Southwest	90	421,071,529	3,637	115,774
LA	19	114,522,181	551	207,844
OK	30	156,841,533	1,563	100,346
TX	41	149,707,815	1,523	98,298
Western	40	773,072,997	3,507	220,437
AZ	3	92,655,000	400	231,638
CA	35	657,349,131	2,981	220,513
HI	2	23,068,866	126	183,086
Total (Nationwide)	889	13,505,621,685	77,517	174,228[18]

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

(13) The number of firms in operation as of the date of this report and the number of firms that ceased operations after completing the program in each year during the two-year period following completion of the program

In order to assess the effectiveness of the TAAF program in terms of outputs, EDA assesses the extent to which client firms increased their sales, employment levels, and productivity following the implementation of TAAF-supported projects (program completion). To measure these outputs, EDA compares average sales, average employment and average productivity of all firms completing the program in a particular year (the most recent ''base year'') to these same measures for the same firms one and two years following program completion. The base year used for this report is FY 2010, as this allows EDA to compare these measures looking back both one and two years from the date of this report.

Firms that completed the TAAF program in FY 2010 reported that, at completion, average sales were $10.1 million, average employment was 53 and average sales per employee (productivity) was $191,328. One year after completing the program (FY 2011), these same firms reported that average sales increased by 11.4 percent, average employment increased by 13.2 percent, and average productivity decreased by 1.6 percent. For the sake of comparison to the universe of U.S. manufacturers, BLS reported that, in FY 2011, the national manufacturing industry in aggregate experienced an average employment increase of only 1.9 percent.

Two years after completing the program (FY 2012), these same firms reported that average sales increased by 26.8 percent, average employment increased by 13.2 percent, and average productivity [19] increased by 11.9 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2012 experienced an average employment increase of 3.5 percent and an average productivity increase of 4.1 percent from FY 2010. Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole. Additionally, all firms that completed the TAAF program in FY 2010 were in operation as of the end of FY 2012, indicating strong ''survival rates'' for TAAF-assisted firms. It should be noted that TAAF clients are operating in the same

[17] The total productivity as presented in across TAACs, States and the summary line of Exhibit 24 represents the actual total average productivity in FY 2012. 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.[18] The total productivity as presented in across TAACs, States and the summary line of Exhibit 24 represents the actual total average productivity in FY 2012. 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.

[19] BLS' productivity measures relate output to the labor hours used in the production of that output.

economic environment as other firms, but are also attempting to adjust to import pressures that may not impact other firms as severely, making the success of TAAF-assisted firms even more notable.

For the purposes of this report, data are reported only for firms where all data were available. Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee was chosen as the productivity measure. This measure is used because it can be generally applied to all certified firms.

EXHIBIT 25—SUMMARY OF AVERAGE SALES, EMPLOYMENT, AND PRODUCTIVITY AT FIRMS UPON COMPLETION OF THE PROGRAM AND THE ONE-YEAR AND TWO-YEAR PERIOD FOLLOWING COMPLETION

	Completion (FY 2010)	1st Year following completion (FY 2011)	2nd Year following completion (FY 2012)	% Change 1st Year (percent)	% Change 2nd Year (percent)
Average Sales	$10,140,385	$11,300,792	$12,855,193	11.4%	26.8%
Average Employment	53	60	60	13.2	13.2
Average Productivity	$191,328	$188,347	$214,253	(1.6%)	11.9%

EXHIBIT 26—SALES, EMPLOYMENT, AND PRODUCTIVITY AT EACH FIRM UPON COMPLETION OF THE PROGRAM AND TWO-YEAR PERIOD FOLLOWING COMPLETION

Firm ID	Average sales at completion (FY 2010)	Average sales 1st Yr. following completion (FY 2011)	Average sales 2nd Yr. following completion (FY 2012)	Average employment at completion (FY 2010)	Average employment 1st Yr. following completion (FY 2011)	Average employment 2nd Yr. following completion (FY 2012)	Average productivity at completion (FY 2010)	Average productivity 1st Yr. following completion (FY 2011)	Average productivity 2nd Yr. following completion (FY 2012)
GLTAAC–CMP–001	$23,000,000	$40,200,000	$70,000,000	108	103	125	$212,963	$390,291	$560,000
GLTAAC–CMP–002	33,291,000	35,000,000	46,200,000	118	115	120	282,127	304,348	385,000
GLTAAC–CMP–003	33,000,000	38,000,000	36,000,000	185	330	370	178,378	115,152	97,297
MamTAAC–CMP–002	30,421,806	35,697,560	28,980,224	145	161	139	209,806	221,724	208,491
MamTAAC–CMP–006	9,969,765	8,969,168	6,632,938	64	69	58	155,778	129,988	114,361
MamTAAC–CMP–007	5,849,007	4,778,810	5,394,320	28	18	15	208,893	265,489	359,621
MamTAAC–CMP–010	1,900,000	2,533,745	3,500,000	18	22	26	105,556	115,170	134,615
MamTAAC–CMP–013	1,261,088	2,084,480	2,875,000	14	17	17	90,078	122,616	169,118
MamTAAC–CMP–014	2,202,559	2,635,713	2,635,713	19	21	21	115,924	125,510	125,510
MamTAAC–CMP–016	10,613,000	10,980,000	8,825,000	38	43	43	279,289	255,349	205,233
MamTAAC–CMP–018	7,570,000	8,456,000	9,000,000	30	33	33	252,333	256,242	272,727
MamTAAC–CMP–021	4,412,568	6,984,385	939,327	19	32	20	232,240	218,262	46,966
MamTAAC–CMP–023	6,414,455	5,697,336	5,027,557	89	69	59	72,073	82,570	85,213
MamTAAC–CMP–025	8,694,000	5,630,530	6,331,934	45	40	45	193,200	140,763	140,710
MWTAAC–CMP–001	14,603,721	14,600,000	17,800,000	124	125	130	117,772	116,800	136,923
MWTAAC–CMP–006	18,585,466	21,900,000	21,900,000	80	90	90	232,318	243,333	243,333
NWTAAC–CMP–001	2,100,000	3,085,000	3,000,000	22	15	14	95,455	205,667	214,286
NWTAAC–CMP–002	13,000	6,000	10,000	1	1	1	13,000	6,000	10,000
NWTAAC–CMP–003	55,571,000	64,167,000	66,000,000	163	188	180	340,926	341,314	366,667
NWTAAC–CMP–004	3,500,000	2,680,000	8,000,000	28	18	22	125,000	148,889	363,636
NWTAAC–CMP–005	680,000	440,000	450,000	12	10	10	56,667	44,000	45,000
NWTAAC–CMP–006	8,000,000	13,000,000	15,000,000	65	125	100	123,077	104,000	150,000
NWTAAC–CMP–007	14,000,000	10,000,000	25,000,000	45	55	65	311,111	181,818	384,615
NWTAAC–CMP–008	1,730,000	1,975,000	2,400,000	35	30	28	49,429	65,833	85,714
NWTAAC–CMP–010	1,900,000	2,100,000	2,200,000	5	7	12	380,000	300,000	183,333
NYSTAAC–CMP–001	4,000,000	4,100,000	4,400,000	30	25	25	133,333	164,000	176,000
NYSTAAC–CMP–002	2,100,000	2,100,000	2,500,000	25	25	27	84,000	84,000	92,593
NYSTAAC–CMP–003	990,000	950,000	900,000	2	2	2	495,000	475,000	450,000
NYSTAAC–CMP–004	12,100,000	12,200,000	13,200,000	79	78	80	153,165	156,410	165,000
NYSTAAC–CMP–005	535,000	500,000	490,000	4	4	4	133,750	125,000	122,500
NYSTAAC–CMP–006	4,900,000	5,600,000	5,700,000	31	34	34	158,065	164,706	167,647
NYSTAAC–CMP–007	3,100,000	3,600,000	3,750,000	21	25	25	147,619	144,000	150,000
NYSTAAC–CMP–008	7,800,000	7,700,000	7,900,000	65	64	65	120,000	120,313	121,538
NYSTAAC–CMP–009	36,000,000	34,000,000	36,500,000	151	157	160	238,411	216,561	228,125
RMTAAC–CMP–001	123,000	138,000	130,000	2	6	5	61,500	23,000	26,000
RMTAAC–CMP–002	1,547,913	2,500,722	2,718,122	19	23	21	81,469	108,727	129,434
RMTAAC–CMP–003	2,715,885	3,139,869	3,352,000	42	42	37	64,664	74,759	90,595
Total Average	10,140,385	11,300,792	12,855,193	53	60	60	191,328	188,347	214,253

(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 2012, 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 $6.3 million towards the development and implementation of APs. Funds are not provided directly to firms; instead, EDA funds the TAACs and TAACs pay a proportion of the cost to secure specialized business consultants.

Exhibit 27: Summary of TAAF program Financial Assistance to Firms by TAAC: FY 2012

TAAC	Total TAAC Assistance to Firms[20]	Financial Contribution by the Firms
Great Lakes	$758,929	$419,220
Mid-America	$716,771	$485,977
MidAtlantic	$814,574	$965,378
Midwest	$1,145,974	$827,579
New England	$1,346,314	$1,199,216
New York State	$576,326	$418,940
Northwest	$1,017,666	$329,151
Rocky Mountain	$1,155,771	$599,855
Southeastern	$668,721	$363,352
Southwest	$814,909	$527,712
Western	$750,420	$190,648
Total	**$9,766,375**	**$6,327,028**

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

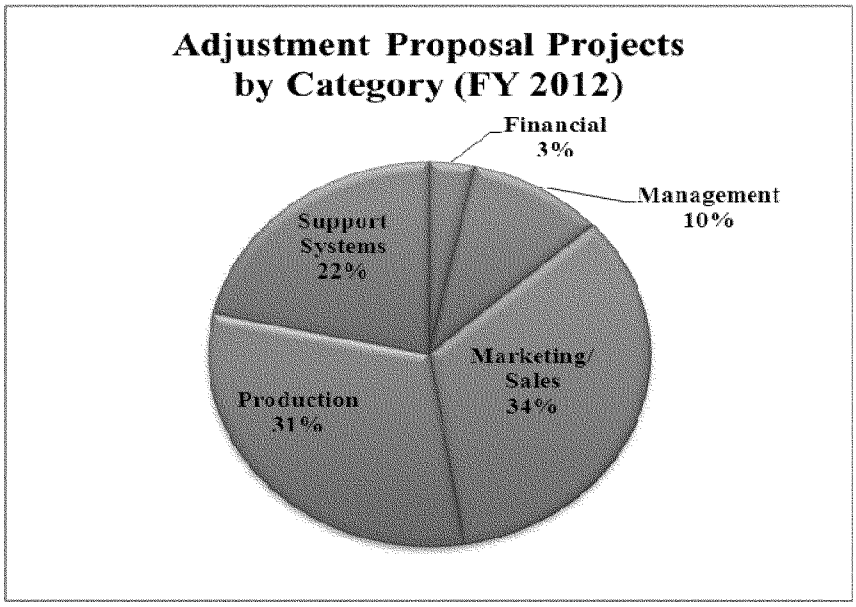
In FY 2012, firms proposed various types of projects in their APs. Marketing/sales projects are geared toward increasing revenue, whereas production/manufacturing projects tend to be geared toward cutting costs. Support system projects can provide a competitive advantage by either cutting costs or creating new sales channels. Management and financial projects are designed to improve management's decision making ability and business control. Over half of all firms proposed to implement a marketing/sales project or production/engineering project in their APs. Sample projects are listed below in Exhibit 28.

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

EXHIBIT 28—CHARACTERISTICS OF TECHNICAL ASSISTANCE IN APS: FY 2012

Project Classification	Sample types of projects	Number of AP projects [21]	AP Project costs
Financial	• Accounting systems upgrade • Cost control tracking system • Automatic Data Processing development.	10	$216,000
Management	• Strategic business planning • Succession management • Management development.	30	549,166
Marketing/Sales	• Sales process training • Market expansion and feasibility • Web site design and upgrade.	103	3,984,800
Production	• Lean manufacturing and certification • New product development • Production and warehouse automation.	93	3,490,944
Support Systems	• Enterprise Resource Planning • Management Information Systems upgrades • Computer Aided Design software • Supply chain management software.	65	2,230,000

Exhibit 29: APs by Project Classification: FY 2012



(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 2012, of the 145 firms that left the TAAF program, 84 completed the program, 34 did not complete approved projects in the time allotted, and the remaining 27 firms left for the reasons listed below in Exhibit 30.

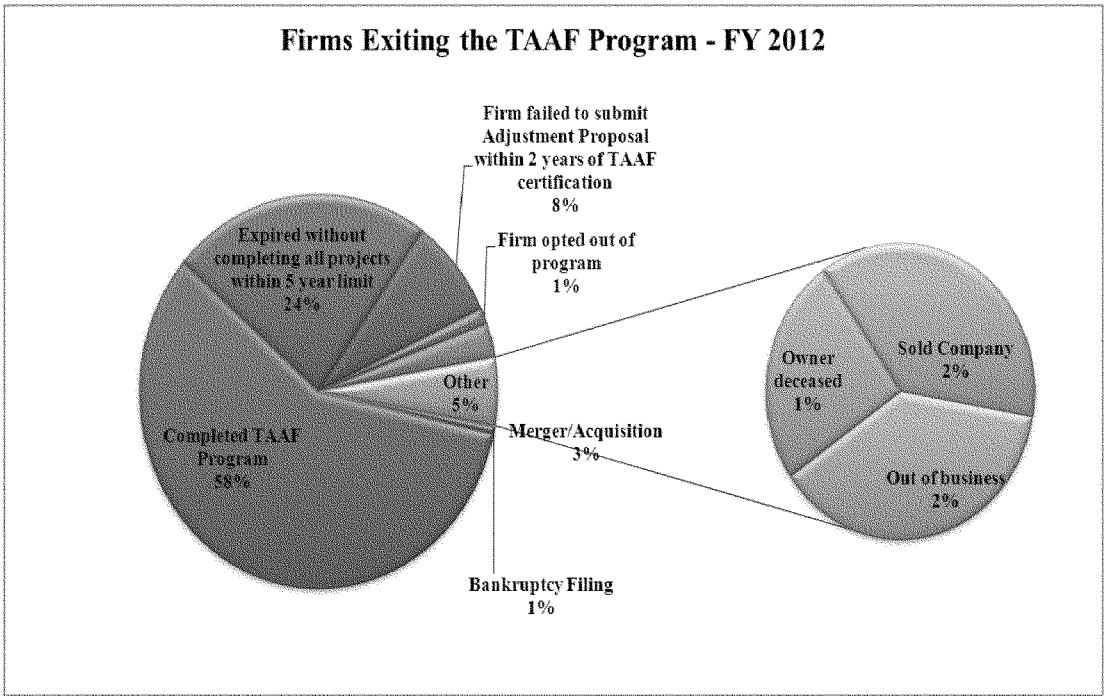
EXHIBIT 30—SUMMARY OF FIRMS LEAVING THE TAAF PROGRAM: FY 2012

Reason for leaving Program	Number of firms
Bankruptcy Filing	1
Completed TAAF Program	84
Expired without completing all projects within 5 year limit	34
Firm failed to submit AP within 2 years of TAAF certification	12
Firm opted out of program	2
Merger/Acquisition	4
Out of business	3

EXHIBIT 30—SUMMARY OF FIRMS LEAVING THE TAAF PROGRAM: FY 2012—Continued

Reason for leaving Program	Number of firms
Owner deceased	2
Sold Company	3
Total	145

[21] A firm may have up to five projects in an approval AP.



(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 Department of Commerce Office of Inspector General (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.[22] As part of their review, OIG obtained expenditure data from a sample of three TAACs—Western, New England, and New York State—focusing on the use of Federal funds provided by EDA. The OIG reported that it ''did not determine that the level of administrative costs of the three TAACs to be unreasonable.''

Indirect Costs, referred to as facilities and administrative (F&A) costs, include space rent and utilities, telephone, postage, printing, and other administrative costs. University-affiliated TAACs have indirect cost rate (ICR) agreements that cannot exceed the current rate negotiated with their cognizant Federal agency (non EDA/DOC). These costs are captured on the indirect cost line item on the Application for Federal Assistance, SF–424 (Form SF–424). Non-profit TAACs do not have ICR agreements; instead, they categorize similar expenditures in their ''Other'' line item of their Form SF–424.

(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

[22] The information was requested in the House Committee Report that accompanied the FY 2012 Commerce, Justice, Science, and Related Agencies Appropriations bill.

Exhibit 31: Summary of Expenditures by TAAC Across Budget Categories: FY 2012

TAAC	Personnel (including Fringe Benefits)	Contracts (Federal Share)	Travel	Equipment and Supplies	Other	Indirect Costs	Total TAAC Expenditures
Great Lakes	$494,254	$446,104	$13,917	$8,930	$23,443	$290,016	$1,276,664
Mid-America	$392,136	$675,089	$12,185	$3,633	$59,348	$182,691	$1,325,082
MidAtlantic	$447,535	$954,290	$15,159	$13,974	$165,296	$0	$1,596,254
Midwest	$670,495	$922,242	$15,324	$11,881	$136,206	$0	$1,756,148
New England	$306,895	$1,240,469	$8,549	$5,751	$68,204	$0	$1,629,868
New York State	$362,200	$498,078	$5,273	$5,801	$38,799	$89,208	$999,359
Northwest	$505,667	$461,216	$10,093	$4,225	$171,308	$0	$1,152,509
Rocky Mountain	$613,983	$636,074	$9,451	$12,451	$87,149	$167,761	$1,526,869
Southeastern	$404,191	$408,435	$9,163	$18,078	$0	$273,047	$1,112,914
Southwest	$625,264	$547,003	$54,541	$9,474	$14,211	$142,657	$1,393,150
Western	$489,782	$210,213	$15,826	$2,483	$24,388	$297,758	$1,040,450
Total	**$5,312,402**	**$6,999,213**	**$169,481**	**$96,681**	**$788,352**	**$1,443,138**	**$14,809,267**

In FY 2012, TAACs expended $10.7 million in technical assistance provided to the firms in outreach to firms, to prepare petitions, and to develop and implement APs (often through business consultants and other experts). Funds

are not provided directly to firms; instead, EDA funds the TAACs and TAACs pay a cost-shared proportion of the cost to secure specialized business consultants.

Exhibit 32: Summary of Expenditures—Technical Assistance to Firms by TAAC: FY 2012

TAAC	TAAC Expenditure-Outreach	TAAC Expenditures-Petitions	TAAC Expenditures-APs	Total TAAC Expenditures
Great Lakes	$253,229	$316,479	$442,450	$1,012,158
Mid-America	$14,464	$53,341	$663,430	$731,235
MidAtlantic	$66,708	$224,330	$590,244	$881,282
Midwest	$121,482	$223,733	$922,242	$1,267,457
New England	$5,673	$93,970	$1,252,344	$1,351,987
New York State	$25,943	$148,602	$427,724	$602,269
Northwest	$73,144	$556,450	$461,216	$1,090,810
Rocky Mountain	$64,425	$519,697	$636,074	$1,220,196
Southeastern	$103,687	$269,145	$399,576	$772,408
Southwest	$57,672	$268,580	$546,329	$872,581
Western	$152,638	$354,559	$395,861	$903,058
Total	**$939,065**	**$3,028,886**	**$6,737,490**	**$10,705,441**

Conclusion

Through TAAF program, EDA effectively assisted many small and medium-sized firms in becoming more competitive and successful in the global economy. EDA considers the most significant finding in this report to be that following completion of assistance from EDA's TAAF program, firms reported that, on average, sales increased by 26.8 percent, employment increased by 13.2 percent, and productivity increased by 11.9 percent.

The TAAF program effectively assisted small and medium-sized firms in FY 2012. TAACs provided technical assistance to 341 firms in preparing petitions, 206 firms in preparing APs, and 935 firms in implementing projects for an approved AP. Meanwhile, EDA certified 79 petitions and approved 102 APs. As of the end of FY 2012 (September 30, 2012), there are 889 active [23] firms participating in the TAAF program.

EDA successfully met both the 40-day processing deadline (to make a final determination for petitions accepted for filing) and the 60-day processing deadline for approval of APs, as required in the TGAAA. In FY 2012, the average processing time for petitions was 29 business days, and the average processing time for APs was 21 business days.

Firms that completed the TAAF program in FY 2010 report that average sales were $10.1 million, average employment was 53, and average sales per employee (productivity) was $191,328. One year after completing the program (FY 2011), these same firms reported that average sales increased by 11.4 percent, average employment increased by 13.2 percent, and average productivity decreased by 1.6 percent. For the sake of comparison to the universe of U.S. manufacturers, the U.S. Bureau of Labor Statistics (BLS) reported that, in FY 2011, the national manufacturing industry in aggregate experienced an average employment increase of only 1.9 percent meaning that firms who complete the program

[23] A firm that has been certified for TAAF, and/or has an approved Adjustment Proposal, has not completed all projects in their AP, and is still engaged in the TAAF program is considered ''active.''

are more successful than firms generally.

Two years after completing the program (FY 2012), these same firms reported that average sales increased by 26.8 percent, average employment increased by 13.2 percent, and average productivity increased by 11.9 percent. Meanwhile, BLS reported that the manufacturing industry in FY 2012 experienced an average employment increase of 3.5 percent and average productivity increase of 4.1 percent from FY 2010. Therefore, firms assisted by the TAAF program performed more successfully than the manufacturing industry as a whole. Additionally, all firms that completed the TAAF program in FY 2010 were in operation as of the end of FY 2012, indicating strong ''survival rates'' for TAAF-assisted firms. It should be noted that TAAF clients are operating in the same economic environment as other firms, but are also attempting to adjust to import pressures that may not impact other firms as severely, making the success of TAAF-assisted firms even more notable.

On May 11, 2012, the Department of Commerce Office of Inspector General (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[24]. 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.''

On September 13, 2012, the U.S. Government Accountability Office (GAO) published the report, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve (GAO–12–930).* The GAO report documented the results of their independent analysis, which included strong evidence demonstrating the effectiveness of the TAAF program. GAO's key finding was that for firms receiving assistance between FY 2008 and FY 2011, ''the effect of participation in the program was an increase in firm sales ranging from 5 to 6 percent on average,'' and that ''the effect of the program on productivity was about a 4 percent increase.'' As part of this study, GAO contacted 163 firms who had been involved with the TAAF program, and received responses from 117. As noted in the report, nearly all of the responding firms reported they were generally or very satisfied with the program. Manufacturing firms, specifically, reported that the program was associated with increased sales and productivity. Notably, an impressive 73 percent of the firms reported the program helped them with profitability, 71 percent said it helped them retain employees, and 57 percent reported that the program helped them hire new employees.

EDA is currently implementing a performance measurement improvement process for all its programs, including TAAF, which began in late 2011 and consists of two phases: planning and development, and implementation. The one-year planning and development stage is expected to be completed in FY 2013. The first phase includes the following activities: researching and identifying improved metrics and indicators, testing the metrics and indicators across the full portfolio of EDA investments, and developing a work plan for implementing measures that are adopted. To assist with this effort, EDA has partnered with the University of North Carolina and George Washington University to develop draft performance measures utilizing state-of-the-art performance measurement and program evaluation techniques.

The subsequent implementation phase of the performance measurement improvement process will include the following activities: obtaining Office of Management and Budget approval of data collection forms, developing a database to store collected data, updating programmatic guidance and regulations, and examining the allocation formula used to distribute program funds to the TAACs in collaboration with both TAACs and Congressional stakeholders. The entire process is expected to be completed by the end of 2014.

The performance measurement improvement process will help EDA be even a stronger partner to its clients and grantees. Through more effective program management and performance assessment, EDA will be in a better position to achieve the desired results for each of its programs.

Supplement

TAAF Program Benefits to Manufacturing Firms

On September 13, 2012, the U.S. Government Accountability Office (GAO) published the report, *Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve (GAO–12–930).* The GAO report documented the results of their independent analysis, which included strong evidence demonstrating the effectiveness of the TAAF program. GAO's key finding was that for firms receiving assistance between FY 2008 and FY 2011, ''the effect of participation in the program was an increase in firm sales ranging from 5 to 6 percent on average,'' and that ''the effect of the program on productivity was about a 4 percent increase.'' As part of this study, GAO contacted 163 firms who had been involved with the TAAF program, and received responses from 117. As noted in the report, nearly all of the responding firms reported they were generally or very satisfied with the program. Manufacturing firms, specifically, reported that the program was associated with increased sales and productivity. Notably, an impressive 73 percent of the firms reported the program helped them with profitability, 71 percent said it helped them retain employees, and 57 percent reported that the program helped them hire new employees.

Examples of TAAF Assistance

Great Lakes Trade Adjustment Assistance Center (GLTAAC)

This Michigan firm manufactures self-adhesive strip and sheet products for the automotive industry. The firm lost 38 percent of its sales in 2009 as demand disappeared and customers frantically switched to low cost foreign suppliers. It entered the TAAF program in 2010. The firm needed to improve its productivity and streamline its business processes. To accomplish this, replacing the firm's antiquated Enterprise Resource Planning (ERP) system was paramount. After much research, the firm licensed a new system and used TAAF assistance to train the workforce in its use. The new ERP went live in January 2011, and the impact was immediate. Not only has it cut hardware costs and annual fees by 50 percent, it has also greatly reduced data input and handling time. The firm has been able to go virtually paperless, as documents are seamlessly handled and hardcopies are rarely required. Further, the new system is connected to its automotive forecasting service so that high-level sales forecasts are made automatically as customers release their model plans. Results of this ERP implementation have been truly transformative for the

[24] The information was requested in the House Committee Report that accompanied the FY 2012 Commerce, Justice, Science, and Related Agencies Appropriations bill.

firm, resulting in ''fabulous'' performance, according to the firm's CFO. As a result of this project and much hard work by the firm, it has been able to rehire many of the workers that were laid off in 2009. Though not yet fully recovered, the firm has now increased employment by 40 percent since entering the TAAF program. The firm currently employs about 90 workers and generates over $20 million in sales. The firm just started another worker training project via the program.

An Ohio packaging firm was hit hard by rising import competition from China and other East Asian countries. Its customers were increasingly looking to cut costs by sourcing their packaging from abroad. This forced serious production cuts at the firm, which ultimately necessitated employee layoffs. The firm entered the TAAF program in early 2008. Its Adjustment Plan was approved in June of that year and included a wide range of needed improvements. The firm's first projects included a detailed evaluation and restructuring of its sales team, as well as the development of much needed marketing materials. Improvements to its costing and quoting system were next, followed by a revamping of its Web site. The firm's most recent TAAF project, completed in June 2012, was part of a major lean manufacturing initiative. Following classroom training financed in part by the State of Ohio, the TAAF program helped provide on-site employee training and hands-on coaching to jumpstart the firm's productivity improvement efforts. This ''last mile'' project—the customized on-site lean training—had a huge impact on the overall success of the effort. The firm has made great progress to date—sales have rebounded significantly (up 50 percent from their low), and productivity is much improved. However, considerable work remains to be done. The firm is about to begin a project that will dramatically strengthen its finance function. By the time this firm completes the program, it will be positioned to thrive, not just survive.

Mid-America Trade Adjustment Assistance Center (MamTAAC)

A Missouri fabric-based products manufacturer has been receiving technical assistance funded by the TAAF program since December 2010. The first project included a comprehensive review of their pay scale compared with market salaries and wages. The intent of this project included addressing personnel issues and forming a strong cohesive team to bring the business out of the recession. The next project involved employee training in the use of their Computer Aided Design software, which supported high investment equipment that enabled them to keep work in-house and support additional employees to be added. A portion of the TAAF assistance enabled the firm to implement an International Organization for Standardization (ISO) compliant quality system and to subsequently become certified to ISO 9001:2008. The ISO certification has enabled the firm to increase sales to a major defense contractor by over 50 percent. This sales increase and business from new market segments have necessitated increasing employees by 15 percent. With the help of MamTAAC and TAAF-funded technical assistance, the firm has been able to build a manufacturing organization that can continue to effectively compete and grow.

A Missouri wood products manufacturer has been enrolled in the program since 2004. In 2004, the firm had 16 employees and average revenue of $3 million and faced fierce competition with Chinese imports. TAAF funding allowed the firm to upgrade its management information systems, upgrade their ERP system, and purchase a production module to help with manufacturing data capture and tracking. Later, with technical assistance from MamTAAC, the firm leveraged TAAF program funds to provide human resources, employee, and executive training, which in addition to educating the firm's leadership on sound business practices, allowed the owner to take actual business problems that were especially related to growth to a group of business owner peers for feedback. Today the firm has 36 employees with 6 more slated to be added in 2012, and revenues are projected to be above $8 million. The firm expects that by 2015, revenue will increase to $14 million and employment to 60.

MidAtlantic Trade Adjustment Assistance Center (MATAAC)

A Pennsylvania maker of pressure control devices for the fluid power and chemical industries was in its third year of declining sales, profits, and employment when awarded TAAF-funded technical assistance in 2008. Sales had fallen by 37 percent, profits had declined 67 percent and 8 percent of the employees were laid off as a direct result of imports. The company implemented projects in strategic planning, lean manufacturing, marketing communications, and six sigma. Since program entry, sales have improved by more than 20 percent, jobs have grown by 12 percent, earnings have increased 42 percent, productivity has increased 7.5 percent, and return on human capital has grown 26.9 percent. As a direct consequence of this success, a world leader in the American fluid power industry acquired the firm in October 2012.

A Pennsylvania manufacturer of industrial wear products for the construction and material handling industries had suffered a 25 percent drop in sales, an 83 percent reduction in earnings, an 81 percent decline in productivity and 13 percent of its employees had been separated—all over a 24-month period. A flood of imports impacted virtually all of the company's products. Management recognized that its product line had been commoditized and that it could no longer compete on price alone. With projects addressing new product development, e-commerce and systems technology, the firm began to add value through superior design, cost mastery, and marketing. The firm was awarded TAAF-funded technical assistance in 2011. Since program entry, sales have grown by more than 50 percent, earnings have improved five-fold, productivity has increased more than 12 percent, jobs have grown 36 percent, and the return on the firm's human capital has more than tripled.

Midwest Trade Adjustment Assistance Center (MWTAAC)

A Wisconsin manufacturer of custom solenoids was experiencing tough competition from Asian importers in the automotive, recreational vehicle, motorcycle, and industrial application markets. Several key customers moved their purchases to overseas providers with cheaper prices, resulting in a 21 percent decline in sales, forcing the firm to lay off workers. The firm was certified for TAAF in June 2010. The firm was able to enhance marketing tools with two projects in late 2010 that helped attract new domestic and international customers. In addition, the firm was able to cost-share export development assistance early in 2012, including research and marketing material translation. As a result of assistance from MWTAAC and TAAF-funded technical assistance, the manufacturer's exports have grown dramatically and both sales and employment have increased over 90 percent in less than two years.

A Minnesota manufacturer of commercial and residential air filtration systems received TAAF-funded technical assistance between 2008 and 2011 for export-related quality certifications, testing and marketing material translation. In addition, TAAF program technical assistance provided

Management Information System (MIS) enhancement and training which has allowed the company to manage the expansion and control costs. In the most recent year, the manufacturer has identified $77,659 of new export sales directly attributable solely to TAAF assistance.

New England Trade Adjustment Assistance Center (NETAAC)

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

A Rhode Island full-service contract manufacturer serving a diverse group of customers including electronic manufacturers of medical instrumentation, military electronics, oceanographic instruments, and commercial products was adversely affected by a combination of growing foreign market competition and the global recession. In 2010, the firm was certified for TAAF and, with the assistance of NETAAC, prepared a business recovery plan (AP) to fund projects such as development of a strategic business plan, marketing and sales plan, MIS upgrades, and process improvement program. Within one year of TAAF-funded technical assistance, the firm has realized a 10 percent increase in employment and a 15 percent increase in sales. After successful realization of Lean Manufacturing and sales and marketing projects, the firm was able to capture new orders, increased the need for continuous improvement, and was able to lower cost of production by further streamlining their processes. The firm is now focusing on re-shoring efforts and committed to bringing jobs back to America.

New York State Trade Adjustment Assistance Center (NYSTAAC)

A New York manufacturer of precision optical fabrication machines and systems was suffering from the adverse effects of foreign competition from Germany. The combination of the foreign competition, coupled with the recent downturn in the economy, significantly reduced the firm's sales revenues. The firm needed to react to the continual loss of market share to foreign competition and did not have a formal strategic-based sales and marketing plan in place nor did it have the internal expertise to develop one. In order to effectively recover from the adverse effects of foreign competition, the firm sought technical assistance from NYSTAAC. At the time of TAAF certification, the firm had 35 full-time employees and annual sales of approximately $6 million. In order to stop the decline in sales and employment levels, the firm with assistance from NYSTAAC and TAAF-funded technical assistance, developed a business recovery plan (AP) that included a formal sales and marketing plan. In following the plan, the firm was able to achieve 85 percent growth in sales revenue to an annual rate of $12 million. This in turn has resulted in the firm adding 17 new employees since the implementation of the plan. An additional major outcome of the planning process was the recent expansion of the firm's manufacturing facility to accommodate new business.

A New York manufacturer of clipboards sought technical assistance from NYSTAAC to develop a business recovery plan (AP) to address inefficiencies with an outdated Management Information System (MIS) and production software, which when improved, would reduce deficits and increase productivity, resulting in higher output and increased sales. Since the firm was certified for TAAF in 2008, their sales have increased approximately $3.4 million and they have been able to maintain the same employment level.

Northwest Trade Adjustment Assistance Center (NWTAAC)

A Montana manufacturer of high performance laser diode and fiber optic control, test and measurement products used in research laboratories, telecommunication, and photonic production facilities received TAAF certification in 2005 based on a 74 percent increase in imports of these devices from China and Japan. Implementation of TAAF-funded projects such as extensive CE product testing, lean manufacturing and training, and sales market analysis and development over a 5 year period have resulted in firm product expansion into European markets, and increased penetration into China, Japan, and Korea. As a result of NWTAAC assistance and TAAF-funded technical assistance, as of the end of 2011, employment has stabilized and sales have increased 48 percent since certification, with export sales now comprising 50 percent of total sales, a 22 percent increase since entering the program.

An Idaho light duty manufacturer of sheet metal and plastic ventilation and roofing components was certified for TAAF in 2010 based on a 20 percent decline in sales resulting from increased imports from China, Canada, and Mexico. TAAF-funded technical assistance projects thus far have included Web site redesign and a two-phased search engine optimization project. As a result of these projects the firm has gone from zero exports and internet orders to over 300 new orders per month to customers all over the U.S. and Canada with about 75 percent of the orders coming from repeat customers. This increase in sales of $400,000 from two years ago provides better profit margins with 10-to-15 percent of the sales going to Canada. The firm has also increased employment by about 2.5 full time employees and is about to add another just for parcel packaging for the internet orders. As an added benefit, this new nationwide customer base gives this firm a better idea of what people want, and these sales are much more profitable than their wholesale business.

Rocky Mountain Trade Adjustment Assistance Center (RMTAAC)

Faced with intense foreign competition and an increasingly competitive market, a Utah manufacturer of plastic folding tables and chairs contacted RMTAAC in 2010 for assistance to improve the firm's competitive position. RMTAAC conducted a thorough business assessment and competitive analysis to identify strategic areas for improvement to build a more solid foundation for future growth. The firm was awarded technical assistance through the TAAF program to target cost reductions in its manufacturing processes. The firm has been able to utilize TAAF-funded technical assistance to shift its efforts to a firm-wide lean manufacturing initiative. The firm implemented lean manufacturing to reduce wasteful or non-value added activities in the manufacturing process. The firm has seen a 25 percent reduction in inventory carrying costs since applying lean manufacturing principles. In addition, the firm's sales are up 27 percent since

entering the TAAF program two years ago.

A South Dakota manufacturer of industrial cleaning machinery had noted increased competition from foreign countries. Over the last decade, consolidation has been a significant trend 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. The firm contacted RMTAAC in 2010 for assistance with TAAF certification. Upon certification, RMTAAC worked with the firm to develop a customized business recovery plan (AP) focused on implementing strategic improvements to strengthen the firm's competitiveness in the global marketplace. Between July 2011 and December 2011, the firm developed a customized sales and marketing program. To date, the firm's sales have increased 18.8 percent from the previous year, and the quote-to-order conversion rate has increased 7 percent. As a result of TAAF-funded technical assistance, the firm's sales are at a 72-year high.

Southeastern Trade Adjustment Assistance Center (SETAAC)

After losing sales to a major customer in 2000, a Georgia manufacturing firm ended an era of selling a complete textile machine to a U.S. customer. The impact of low-cost textile imports from China and Mexico was devastating the firm's domestic customers. In 2006, as sales and employment continued to decline, the firm turned to the TAAF program for help. The SETAAC team developed a customized business recovery plan (AP) which focused on planning and implementing strategic improvements to strengthen the firm's competitiveness in the global marketplace. With TAAF-funded technical assistance, the firm received certification from the Historically Underutilized Business Zone (HUBZone) program, which helps small businesses in urban and rural communities gain access to Federal procurement opportunities. The firm also redesigned its Web site and other marketing materials in order to appeal to a broader client base. The work paid off, as the firm now provides an ammunition testing system for the Air Force. As a result of TAAF-funded technical assistance, the firm has increased employment by 37 percent and revenue by 10 percent. At the end of the first quarter of 2012, the firm was on track for a 25 percent increase in revenue over 2011.

Based in South Carolina, a producer of screens for rotary screen textile printing experienced a 22 percent loss in sales from 2008 to 2009 as a result of Chinese competitors. To address the issue of foreign competition, the firm applied for and was certified for TAAF in 2009. The SETAAC team outlined key projects to help the firm increase its competitive edge. With consultants from the South Carolina Manufacturing Extension Partnership (SCMEP), the firm was able to transition from textile-based screen engraving to digital printing of designs directly to fabric by using a new brand. Projects performed by the SCMEP included Web site redesign, organic search engine optimization, lead generation and pay-per-click advertising. This outreach lead the firm to an opportunity with a large promotional and graphic communications firm with over 750 member locations in the U.S. and Canada. Since the initiation of this project, annual sales have steadily increased by over $220,000. May 2012 saw a 50 percent sales increase, and June 2012 as the highest sales month in four years. In addition to increasing sales, the firm has also added three additional employees.

Southwest Trade Adjustment Assistance Center (SWTAAC)

A Texas manufacturer of uniforms, industrial safety, and rehabilitation equipment was certified for TAAF in 2008. The firm had experienced a 21 percent decline in sales and 31 percent decline in employment since the previous year. The foreign impact was traced to imports from China, Bangladesh, Indonesia, Mexico and the Caribbean basin countries. The firm received EDA approval of an AP focusing on technical assistance in the areas of strategic marketing, Enterprise Resource Planning (ERP) implementation, and lean manufacturing techniques. To date, the firm has worked on four marketing projects, which included photography of their products, a complete redesign of their marketing materials such as catalogs, brochures, and press packages, along with product imaging improvements and a branding strategy. Management information systems projects integrated the firm's MAS 200 SAGE accounting software to interface with their Web site projects to streamline and improve the functionality of accounting, inventory control, on-line customer ordering accessible year round (24 hours a day) with the capability to track orders by oilrig number/employee, and create automated customized reports. The firm has completed 99 percent of their projects and seen a dramatic increase in sales. They recorded sales of $20.9 million in 2011 and an employment of 30, an increase of 345 percent and 25 percent respectively since the date of certification.

A Louisiana manufacturer of Creole pralines and a variety of other pecan-based confections was adversely impacted by imports from Canada, Mexico, and Thailand. The firm was certified for TAAF in May 2009. At the time of certification, annualized sales were approximately $2.7 million, down from $3.3 million the previous year. The firm AP project plans included a support system upgrade required to make significant Management Information System (MIS) upgrades. Although they had an MIS system, it did not have the capacity to allow the firm to manage their increasingly diversifying business. Although implementation of the projects outlined in their business recovery plan is ongoing, the firm has fared better than many other firms that are recovering from the aftermath of not only Hurricane Katrina, but also the generalized impact of the recession during this period. Annual sales two years from the date of certification grew to $3.6 million—an annualized growth rate of roughly 15 percent.

Western Trade Adjustment Assistance Center (WTAAC)

A California custom packaging manufacturer serving customers in the medical, food, and electronics industries suffered injury from import competition from Asia from 2004 through 2006. Its customers increased the purchase of packaging solutions made in the Pacific Rim. A severe downturn in the static packaging industry resulted in the Pacific Rim producing the bulk share of electronic components. The firm was certified for TAAF in December of 2006. WTAAC and the firm's management developed a strategy to change the way the customers think about flexible barrier packaging and to provide new ideas to industry to use this packaging. Specifically, the goal was to develop innovative ways of using barrier packaging to enter the advertising niche, a market segment that has not previously used flexible packaging. The firm completed the implementation phase of the TAAF program in January 2010. While active in the program, the firm implemented its marketing project and two information technology projects. Since TAAF certification, sales increased 34 percent, employment increased 28 percent, profitability

increased 68 percent, and productivity increased 4 percent.

A second-generation California bonding wedge manufacturer, specializing in the design and manufacture of bonding wedges for the microelectronics industry was suffering from continued shrinking market share due to increasing competition from low price Pacific Rim manufacturers from 2000 to 2002. As a result, 2002 annual sales decreased 44 percent and employment decreased 34 percent. The firm was certified for TAAF in October of 2002. WTAAC and the firm's management developed a strategy for the firm to specialize in the manufacture of high quality bonding wedges for the microelectronic industry while expanding its brand sales and diversifying its customer base. The firm successfully completed the implementation phase of the TAAF program in February 2009. While active in the program, the firm implemented two quality management system projects, three production engineering projects, four marketing and promotion projects, and one information technology project. These projects focused on significantly expanding international sales while improving manufacturing efficiency, reducing production cost and shortening cycle times. Since TAAF certification, the firm regained profitability, with sales increasing 45 percent, and productivity improving 45 percent.

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Miriam Kearse,

Eligibility Examiner.

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