

ANNUAL REPORT TO CONGRESS on the  
TRADE ADJUSTMENT ASSISTANCE FOR FIRMS  
PROGRAM

Fiscal Year 2010 Annual Report

ECONOMIC DEVELOPMENT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE  
December 15, 2010



## Executive Summary

This annual report is submitted in accordance with Section 1866 of the Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009, which was included as subtitle I (letter "I") of title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 123 Stat. 115, at 367). Section 1866 of the TGAAA directs the Secretary of Commerce to submit to Congress an annual report on the Trade Adjustment Assistance for Firms (TAAF) Program by the 15<sup>th</sup> of December each year. The TAAF Program is one of four Trade Adjustment Assistance (TAA) Programs authorized by the Trade Act of 1974 (19 U.S.C. § 2341 *et seq.*) (Trade Act).

Administered by the 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. In general, the program provides cost-sharing technical assistance to eligible businesses to create and implement targeted business recovery plans, called Adjustment Proposals under the program. Firms contribute a matching share to create and implement their plan.

Technical assistance is provided through a nationwide network of eleven EDA-funded Trade Adjustment Assistance Centers (TAACs), which are either non-profits or university-affiliated. The TAACs provide assistance to firms petitioning EDA for certification of eligibility under the program and in the development and implementation of business recovery plans.

Firms that completed the TAAF Program in FY 2008 report that at completion, average sales were \$10.3 million, average employment was 73, and average productivity was \$140,977 (sales per employee). One year after completing the program (FY 2009), firms report that average sales increased by one percent, average employment decreased by 10 percent, and average productivity increased by 11 percent. The Bureau of Labor Statistics (BLS) reported that nationwide for the manufacturing industry in FY 2009, average employment decreased 12 percent and average productivity increased by 4 percent. Two years after completing the program (FY 2010), firms report that average sales decreased by 14 percent, average employment decreased by 16 percent, and average productivity increased by 3 percent. BLS reported that nationwide for the manufacturing industry in FY 2010, average employment decreased 12 percent and average productivity increased by 9 percent.

Overall, there has been an increase in the demand for the TAAF Program in FY 2010, as demonstrated by the increase in the number of petitions for certification and Adjustment Proposals submitted to EDA for approval. In FY 2010, EDA approved an additional 114 petitions, a 53 percent increase as compared to FY 2009; and approved an additional 93 Adjustment Proposals, a 54 percent increase as compared to FY 2009.

The addition of TAAF staff resources facilitated EDA's ability to improve processing time for petitions and Adjustment Proposals in FY 2010. Although there was a spike in petitions and Adjustment Proposals, EDA successfully met the 40-day processing

deadline to make a final determination for petitions accepted for filing; and the 60-day processing deadline for approval of Adjustment Proposals as required in the TGAAA. In fact, the average processing time for petitions has started to decline below the 40-day requirement and the average processing time for Adjustment Proposals is below 30 days.

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## Introduction

This report is provided in compliance with Section 1866 of the Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009, which was included as subtitle I (letter “I”) of title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 123 Stat. 115, at 367). Section 1866 of the TGAAA directs the Secretary of Commerce to provide an annual report on the Trade Adjustment Assistance for Firms (TAAF) program by the 15<sup>th</sup> of December each year. Section 1866 of the TGAAA states:

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

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

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

## Program Description

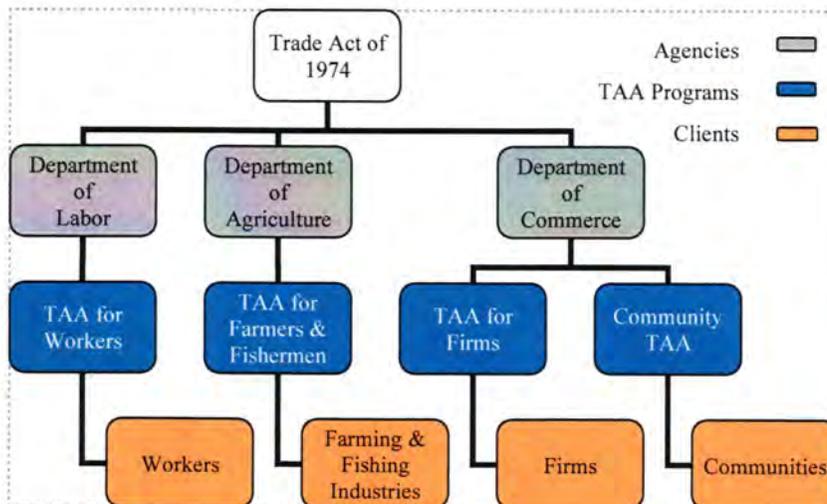
The TAAF program is one of four Trade Adjustment Assistance (TAA) programs authorized under the Trade Act of 1974 (19 U.S.C. § 2341 et seq) (Trade Act). The responsibility for administering the TAAF program is delegated by the Secretary of Commerce to the Economic Development Administration (EDA). TAAF program provides technical assistance to manufacturers and service firms affected by import competition to help the firms develop and implement projects to regain global competitiveness.

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 sharpen competitiveness through TAAF. The program provides assistance in the development of business recovery plans, which are known as Adjustment Proposals under Section 252 of the Trade Act, and matching funds to implement projects outlined in the Adjustment Proposals.

The TAAF Program supports a national network of 11 non-profit or university-affiliated Trade Adjustment Assistance Centers (TAACs) to help U.S. manufacturing, production, and service firms in all fifty states, the District of Columbia, and the Commonwealth of Puerto Rico. Firms work with the TAACs to apply for certification for TAAF assistance, and prepare and implement strategies to guide their economic recovery.

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

Exhibit 1: TAA Programs



## Program Initiative

As noted above, the TAAF Program provides technical assistance in the development and implementation of Adjustment Proposals. Projects are aimed at improving a firm's competitive position. Specifically, funds are applied toward the cost of consultants, engineers, designers, or industry experts for improvement projects in targeted areas that can better a firm's position, such as 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 pay a cost-shared proportion of the cost to secure specialized business consultants.

To certify a firm as eligible to apply for adjustment assistance, the Secretary must determine that 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.

Exhibit 2: TAACs and their Respective Service Areas

TAAC	Service Areas
Great Lakes	Indiana, Michigan, and Ohio
Mid-America	Arkansas, Kansas, and Missouri
MidAtlantic	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 main responsibilities of the TAACS include:

- Assisting firms in preparing their petitions for TAAF. Firms are not charged for any assistance related to preparing a petition.
- Once a petition has been approved, TAACs work closely with firm management to identify the firm's strengths and weaknesses and develop a customized Adjustment Proposal designed to stimulate recovery and growth. The program pays up to 75% of the cost of developing an Adjustment Proposal and the firm must pay the rest. EDA must approve all Adjustment Proposals to ensure they conform to statutory and regulatory requirements.
- After an Adjustment Proposal has been approved, company management and TAAC staff jointly identify consultants with the specific expertise required to assist the firm.
- Under the TAAF Program, EDA shares the cost of Adjustment Proposal task implementation. For an Adjustment Proposal in which proposed tasks total \$30,000 or less, EDA will provide 75 percent of the cost and the firm is responsible for the balance. For an Adjustment Proposal in which proposed tasks total over \$30,000, EDA and the firm share the implementation costs evenly; EDA pays 50 percent of the total cost and the firm pays 50 percent. Due to limited program funding, EDA limits its share of technical assistance to a certified firm to \$75,000. After a competitive procurement process, the TAAC and the firm generally contract with private consultants to implement the Adjustment Proposal.

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

Exhibit 3: Program Phases



### **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. This petition is Form ED-840P "Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance" and any supporting documentation. Certification specialists within the TAACs generally work with the firm at no cost to complete and submit a petition to EDA.

Upon receipt of the petition, EDA performs a thorough 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.<sup>1</sup>

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

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

### **Phase III - Adjustment Proposal Implementation**

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

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<sup>1</sup> As of May 17, 2009, the deadline for making a final determination is 40 days. Before May 17, 2009, EDA had 60 days to make a determination.

## Results/Findings

### Data for This Report

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

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

In FY 2010, TAACs received 3,446 inquiries about the TAAF Program.

Exhibit 4: Inquiries about the TAAF Program by TAAC

<b>TAAC</b>	<b>No. of Firms that Inquired about the TAAF Program</b>
Great Lakes	106
Mid-America	137
MidAtlantic	376
Midwest	82
New England	163
New York State	134
Northwest	806
Rocky Mountain	351
Southeastern	42
Southwest	280
Western	969
<b>Total</b>	<b>3,446</b>

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

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

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

In FY 2010, 305 petitions were filed under Section 251 of the Trade Act, up an additional 27 petitions, a 10 percent increase compared to the number of petitions filed in FY 2009. EDA certified 330 petitions, up an additional 114 petitions, a 53 percent increase compared to the number of certifications in FY 2009. Petitions are certified on a rolling

basis throughout the year. Petitions certified in FY 2010 may be the result of those filed or accepted in FY 2009; and petitions filed or accepted in FY 2010 may not result in certification in FY 2010.

The addition of TAAF staff resources facilitated EDA’s ability to improve processing time for petitions in FY 2010. Although there was a spike in petitions, EDA successfully met the 40-day processing deadline to make a final determination for petitions accepted for filing as required in the TGAAA. In fact, the average processing time for petitions has started to decline below the 40-day requirement.

Exhibit 5: Petition Activity: FY 2008 – FY 2010

FY	No. of Petitions Filed	No. of Petitions Accepted for Filing	No. of Petitions Certified	No. of Petitions Denied	Average Days Between Acceptance and Certification	Average Days Between Filing and Certification
2008	189	190	188	0	45	N/A
2009	278	244	216	1	44	89
2010	305	325	330	0	40	74
<b>% Change (2009 to 2010)</b>	<b>10%</b>	<b>33%</b>	<b>53%</b>	<b>N/A</b>	<b>(9)%</b>	<b>(17)%</b>

Exhibit 6: Petitions Filed by TAAC: FY 2008 – FY 2010

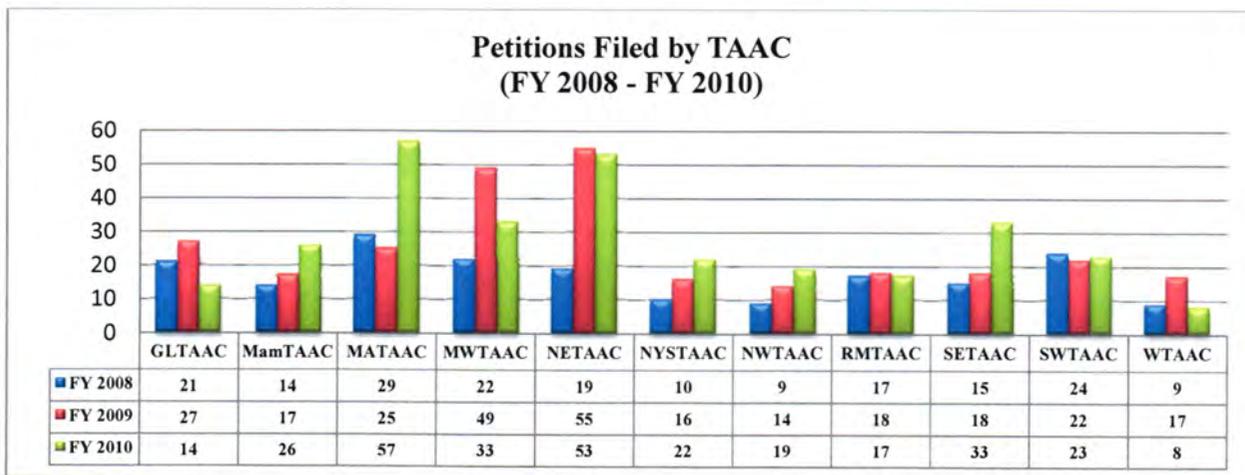


Exhibit 7: Petitions Accepted by TAAC: FY 2008 – FY 2010

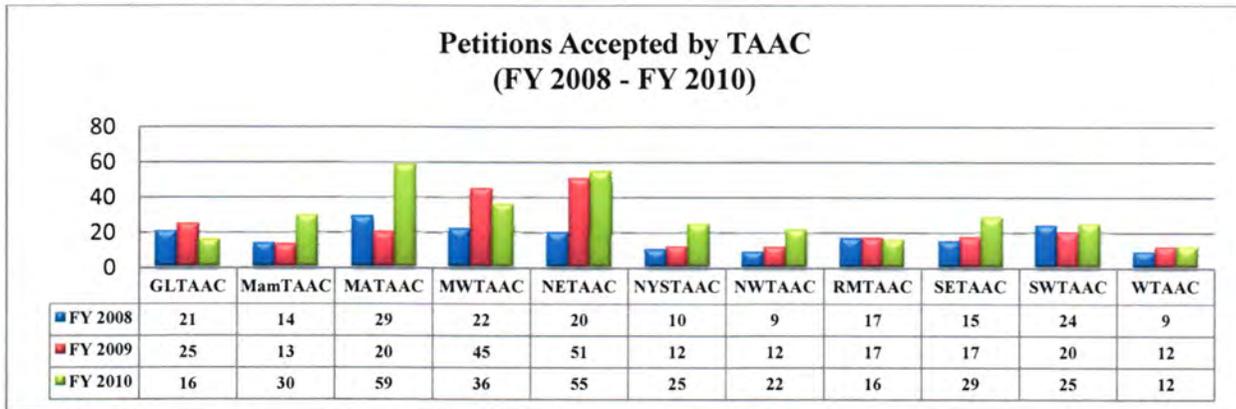


Exhibit 8: Petitions Certified by TAAC: FY 2008 – FY 2010

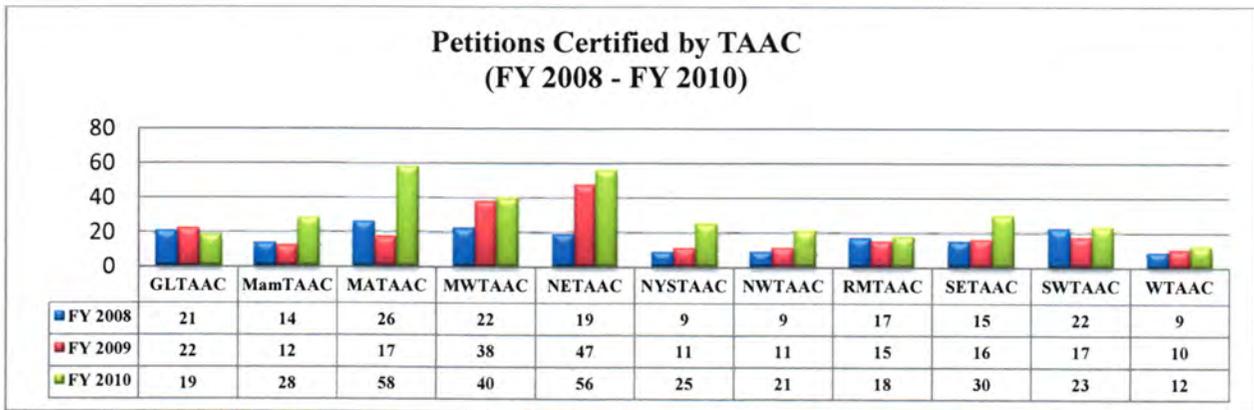


Exhibit 9: Petitions Filed, Accepted and Certified by TAAC: FY 2010

TAAC	No. of Petitions Filed <sup>2</sup>	No. of Petitions Accepted for Filing <sup>2</sup>	No. of Petitions Certified
Great Lakes	14	16	19
Mid-America	26	30	28
MidAtlantic	57	59	58
Midwest	33	36	40

<sup>2</sup> Petitions are certified on a rolling basis throughout the year, therefore activity in these categories may not result in certification within the same FY. These totals represent the activity under each category within FY 2010.

TAAC	No. of Petitions Filed <sup>2</sup>	No. of Petitions Accepted for Filing <sup>2</sup>	No. of Petitions Certified
New England	53	56	56
New York State	22	26	25
Northwest	19	22	21
Rocky Mountain	17	16	18
Southeastern	33	30	30
Southwest	23	25	23
Western	8	12	12
<b>Total</b>	<b>305</b>	<b>328</b>	<b>330</b>

Exhibit 10: Petitions Filed, Accepted, and Certified by TAAC: FY 2010

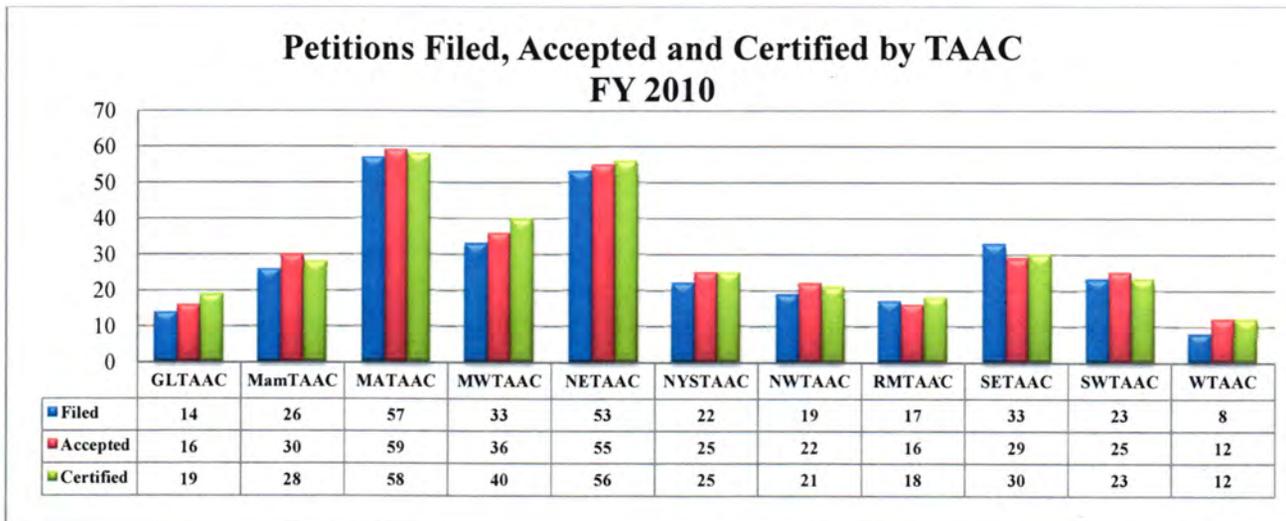
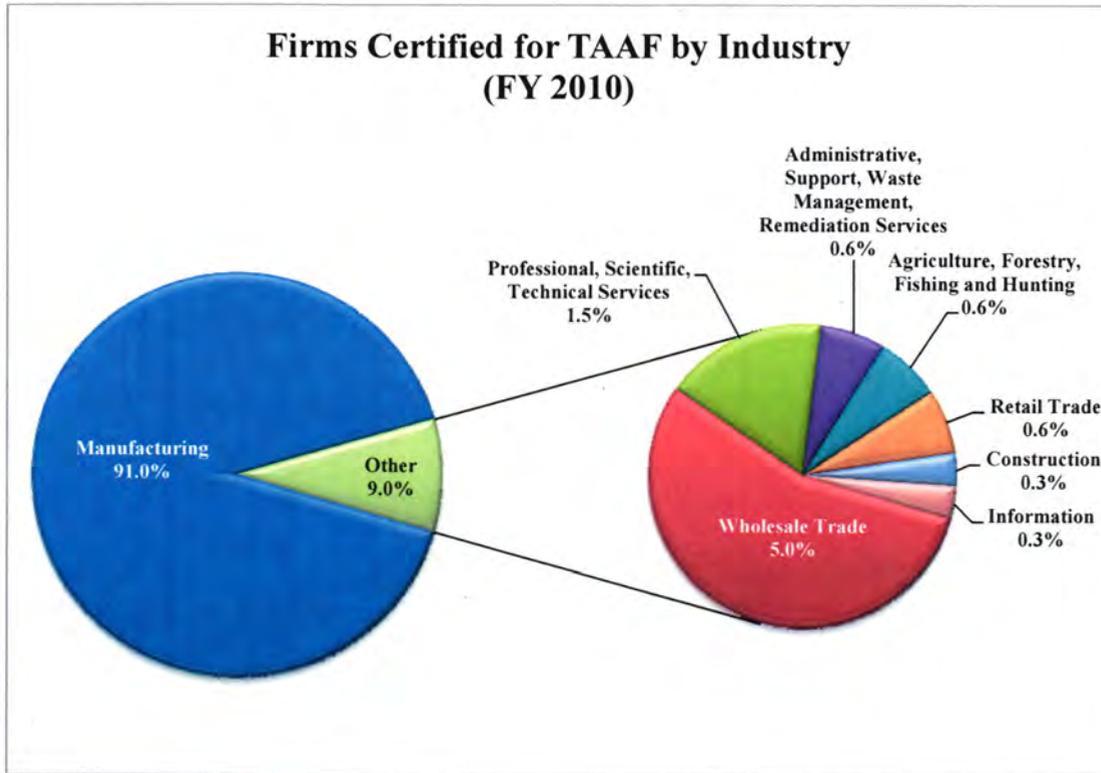


Exhibit 11: Firms Certified for TAAF by Industry: FY 2010

The majority of petitions certified for TAAF were submitted by firms in the manufacturing industry. Firms in wholesale trade and technical services rounded out the top three industries. Approximately 7 percent of firms certified in FY 2010 were service sector firms. Demand from service firms in FY 2011 is likely to increase at the same rate as FY 2010.



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

Exhibit 12: Petitions Filed by Congressional District: FY 2010

Congressional District(s)	No. of Petitions Filed
AK	
At Large	1
AL	
4	1
AR	
1	1
2	4

<b>Congressional District(s)</b>	<b>No. of Petitions Filed</b>
3	2
<b>AZ</b>	
5	1
6	1
<b>CA</b>	
13	1
30	1
32	1
34	1
43	1
<b>CO</b>	
1	2
2	2
3	3
4	1
5	1
<b>CT</b>	
1	2
2	2
5	1
6	1
<b>FL</b>	
10	1
21	1
22	1
24	1
<b>GA</b>	
2	2
5	1
6	1
7	1
9	1
<b>HI</b>	
1	1
<b>ID</b>	
1	3
<b>IL</b>	
3	2
4	1
5	3

<b>Congressional District(s)</b>	<b>No. of Petitions Filed</b>
6	3
8	1
10	1
13	1
14	4
16	1
17	1
<b>IN</b>	
2	1
7	1
8	1
13	1
<b>KS</b>	
1	2
2	2
3	1
4	2
<b>KY</b>	
1	1
2	2
3	1
<b>LA</b>	
2	2
3	3
6	1
7	1
<b>MA</b>	
1	4
3	3
4	3
5	3
6	3
7	3
9	4
10	2
<b>MD</b>	
2	1
4	1
<b>ME</b>	
1	3

<b>Congressional District(s)</b>	<b>No. of Petitions Filed</b>
2	3
<b>MI</b>	
1	1
7	1
9	2
11	3
12	1
<b>MN</b>	
3	2
4	1
5	1
6	1
7	1
<b>MO</b>	
1	1
2	1
4	1
5	2
6	1
7	4
8	2
<b>MS</b>	
1	1
<b>MT</b>	
At Large	3
<b>NC</b>	
7	2
8	1
9	1
10	1
11	1
12	1
<b>ND</b>	
1	3
<b>NH</b>	
1	4
<b>NJ</b>	
8	1
12	1
<b>NY</b>	

<b>Congressional District(s)</b>	<b>No. of Petitions Filed</b>
1	1
3	1
8	2
20	2
22	1
25	6
26	4
27	1
28	2
29	2
<b>OH</b>	
4	1
14	1
16	1
<b>OK</b>	
1	5
2	1
3	3
<b>OR</b>	
3	1
4	2
<b>PA</b>	
3	3
4	1
5	2
6	1
7	3
8	2
9	2
10	2
11	8
12	1
13	2
15	8
16	3
17	6
18	1
19	6
<b>RI</b>	
1	8

<b>Congressional District(s)</b>	<b>No. of Petitions Filed</b>
2	3
<b>SC</b>	
2	2
3	1
5	3
6	2
<b>SD</b>	
At Large	1
<b>TN</b>	
4	1
6	1
<b>TX</b>	
3	1
12	4
13	1
15	1
<b>UT</b>	
1	1
2	1
3	1
<b>VA</b>	
4	1
6	1
<b>VT</b>	
1	1
<b>WA</b>	
4	1
5	2
6	2
7	2
9	2
<b>WI</b>	
1	1
4	1
5	4
6	2
7	1

Exhibit 13: Petitions Certified by Congressional District: FY 2010

<b>Congressional District(s)</b>	<b>No. of Petitions Certified</b>
<b>AK</b>	
At Large	2
<b>AL</b>	
4	1
<b>AR</b>	
1	1
2	4
3	2
<b>AZ</b>	
4	1
<b>CA</b>	
7	1
20	1
26	1
30	1
31	1
32	1
34	1
43	1
48	1
<b>CO</b>	
1	1
2	2
3	3
4	1
5	1
6	1
<b>CT</b>	
1	2
2	2
5	1
6	1
<b>FL</b>	
10	1
22	1
24	1
<b>GA</b>	<b>6</b>
2	2

Congressional District(s)	No. of Petitions Certified
3	1
5	1
6	1
9	1
<b>HI</b>	
1	2
<b>IA</b>	
3	1
<b>ID</b>	
1	3
<b>IL</b>	
3	2
4	2
5	3
6	4
7	1
8	2
10	1
13	1
14	5
16	1
17	1
<b>IN</b>	
2	1
7	1
8	1
13	1
<b>KS</b>	
1	2
2	1
3	1
4	2
<b>KY</b>	
1	1
3	1
<b>LA</b>	
2	2
3	2
6	1
7	1

<b>Congressional District(s)</b>	<b>No. of Petitions Certified</b>
<b>MA</b>	
1	4
3	4
4	3
5	3
6	3
7	3
9	5
10	2
<b>MD</b>	
2	1
4	1
<b>ME</b>	
1	3
2	3
<b>MI</b>	
1	1
7	1
9	2
10	1
11	4
12	1
<b>MN</b>	
2	2
3	1
4	1
5	1
6	1
<b>MO</b>	
1	2
2	1
3	1
4	2
5	2
6	1
7	5
8	1
<b>MS</b>	
1	1
<b>MT</b>	

<b>Congressional District(s)</b>	<b>No. of Petitions Certified</b>
At Large	5
<b>NC</b>	
1	1
5	1
7	2
9	1
10	2
11	1
12	1
<b>ND</b>	
1	1
At Large	1
<b>NH</b>	
1	5
2	1
<b>NY</b>	
1	1
3	1
8	1
20	3
25	6
26	5
27	1
28	4
29	3
<b>OH</b>	
3	1
4	1
8	1
10	1
14	1
16	1
<b>OK</b>	
1	5
2	2
3	2
<b>OR</b>	
3	1
4	2
<b>PA</b>	

<b>Congressional District(s)</b>	<b>No. of Petitions Certified</b>
3	3
4	1
6	3
7	4
8	2
9	2
10	3
11	7
12	1
13	1
15	8
16	2
17	7
18	1
19	8
<b>RI</b>	
1	8
2	3
<b>SC</b>	
2	1
3	1
5	2
6	2
<b>SD</b>	
At Large	1
<b>TN</b>	
4	1
6	1
<b>TX</b>	
3	1
12	4
15	1
16	1
21	1
<b>UT</b>	
1	1
2	1
3	2
28	1
<b>VA</b>	

<b>Congressional District(s)</b>	<b>No. of Petitions Certified</b>
4	1
6	2
<b>WA</b>	
4	1
5	2
6	1
7	3
9	1
<b>WI</b>	
3	1
4	1
5	5
6	3

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

In FY 2010, on average, 232 firms received assistance in preparing petitions per quarter. The total number of firms that received technical assistance varies each quarter as assistance is provided throughout the year. A firm receiving assistance in one quarter may continue to receive assistance in the following quarter.

Exhibit 14: Petition Assistance Activity per Quarter: FY 2010

<b>TAAC</b>	<b>Average No. of Firms Receiving Assistance with Preparing Petitions (per quarter)</b>
Great Lakes	8
Mid-America	61
MidAtlantic	10
Midwest	49
New England	9
New York State	15
Northwest	15
Rocky Mountain	21
Southeastern	20
Southwest	5
Western	19
<b>Total</b>	<b>232</b>

**(7) The number of firms that received assistance developing business recovery plans (Adjustment Proposals).**

In FY 2010, on average, 146 firms received assistance in developing Adjustment Proposals; and 690 firms received assistance in the implementation of Adjustment Proposal plans per quarter. The total number of firms that received technical assistance varies each quarter as assistance is provided throughout the year. A firm receiving assistance in one quarter may continue to receive assistance in the following quarter.

Exhibit 15: Adjustment Proposal Development Activity per Quarter: FY 2010

<b>TAAC</b>	<b>Average No. of Firms Receiving Assistance with Adjustment Proposal Development (per quarter)</b>	<b>Average No. of Firms Receiving Assistance with Adjustment Proposal Implementation (per quarter)</b>
Great Lakes	4	58
Mid-America	14	63
MidAtlantic	13	85
Midwest	13	64
New England	16	103
New York State	13	30
Northwest	5	61
Rocky Mountain	18	79
Southeastern	21	54
Southwest	16	54
Western	13	39
<b>Total</b>	<b>146</b>	<b>690</b>

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

In FY 2010, EDA approved all 265 Adjustment Proposals that were submitted; an additional 93 business recovery plans, a 54 percent increase as compared to FY 2009.

Exhibit 16: Summary of Adjustment Proposals Approved: FY 2008 – FY 2010

FY	No. of Adjustment Proposals Approved	Total Government Share (millions)	Total Firm Share (millions)	Total Projected Adjustment Proposal Costs (millions)	Average Government Assistance Per Firm
2008	139	\$7.9	\$7.5	\$15.4	\$56,835
2009	172	\$10.3	\$9.8	\$20.2	\$59,884
2010	265	\$16.4	\$15.6	\$32.1	\$61,958
<b>% Change (2009 to 2010)</b>	54%	59%	59%	59%	3%

Exhibit 17: Adjustment Proposals Approved by TAAC: FY 2008 – FY 2010

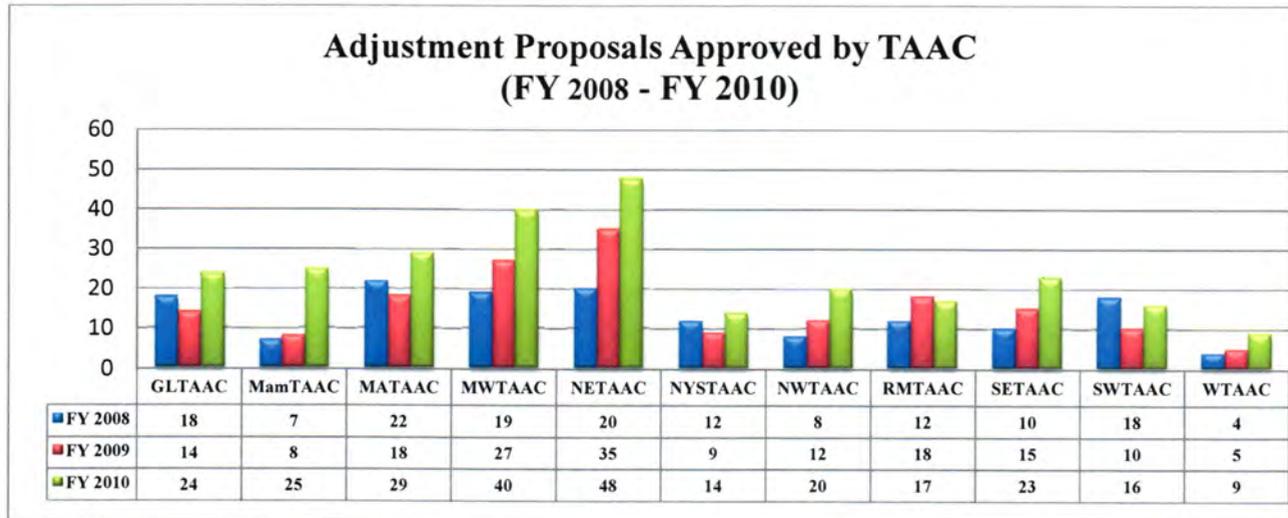


Exhibit 18: Adjustment Proposals Approved by TAAC: FY 2010

TAAC	No. of Adjustment Proposals Approved
Great Lakes	24
Mid-America	25
MidAtlantic	29
Midwest	40
New England	48
New York State	14
Northwest	20

<b>TAAC</b>	<b>No. of Adjustment Proposals Approved</b>
Rocky Mountain	17
Southeastern	23
Southwest	16
Western	9
<b>Total</b>	<b>265</b>

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

The average sales, employment and productivity of firms certified into the program in FY 2010 was higher than that of firms certified in FY 2009. For the purposes of this report, productivity is defined as net sales per employee. Since the certified firms are in various industries, which have a variety of ways to measure productivity, sales per employee was chosen as the productivity measure. This measure is used because it can be generally applied to all certified firms.

Exhibit 19: Comparison of Average Sales, Employment, and Productivity at Firms at the time of Certification: FY 2008 – FY 2010

<b>FY</b>	<b>Average Sales</b>	<b>Average Employment</b>	<b>Average Productivity</b>
2008	\$13,081,993	82	\$159,537
2009	\$10,338,422	79	\$130,866
2010	\$19,137,139	138	\$138,675
<b>% Change (2009 to 2010)</b>	<b>85%</b>	<b>74%</b>	<b>15%</b>

Exhibit 20: Summary Comparison of Average Sales, Employment, and Productivity for Firms at the time of Certification by TAAC: FY 2010

<b>TAAC</b>	<b>Average Sales</b>	<b>Average Employment</b>	<b>Average Productivity</b>
Great Lakes	\$35,127,822	177	\$198,462
Mid-America	\$10,265,214	88	\$116,650
MidAtlantic	\$15,122,655	89	\$169,917

<b>TAAC</b>	<b>Average Sales</b>	<b>Average Employment</b>	<b>Average Productivity</b>
Midwest	\$22,062,757	114	\$193,533
New England	\$7,632,080	51	\$148,649
New York State	\$14,585,421	91	\$160,279
Northwest	\$8,720,395	72	\$121,117
Rocky Mountain	\$43,725,204	203	\$215,395
Southeastern	\$11,052,021	68	\$162,530
Southwest	\$7,529,645	366	\$20,573
Western	\$34,685,316	196	\$176,966
<b>Total</b>	<b>\$19,137,139</b>	<b>138</b>	<b>\$138,675</b>

Exhibit 21: Summary of Sales, Employment, and Productivity at each Firm Participating in the Program at the time of Certification: FY 2010

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
-2118051509	\$5,333,040	23	\$231,871
-2111249509	\$1,208,258	7	\$172,608
-2104802926	\$2,455,461	39	\$62,961
-2103906847	\$1,328,000	10	\$132,800
-2083450313	\$42,874,044	185	\$231,752
-2073175636	\$16,101,898	137	\$117,532
-2068287522	\$11,938,999	31	\$385,129
-2059136725	\$60,764,758	181	\$335,717
-2023874564	\$2,518,000	21	\$119,905
-2010236141	\$3,019,178	25	\$120,767
-2007895508	\$613,906	6	\$102,318
-1997824464	\$4,171,401	41	\$102,795
-1990457870	\$7,559,350	98	\$77,136
-1973580510	\$45,487,139	457	\$99,534
-1958214488	\$7,467,369	49	\$153,429
-1956376675	\$1,780,606	24	\$74,973
-1941157067	\$612,124	5	\$122,425
-1899532397	\$2,037,257	4	\$479,355
-1898904502	\$315,272	5	\$63,054
-1884551502	\$9,040,000	58	\$155,862
-1880843073	\$5,265,708	41	\$128,432
-1838877792	\$3,483,609	31	\$112,374
-1828369285	\$17,140,309	162	\$105,804
-1759758341	\$6,010,971	50	\$120,219
-1742177269	\$9,976,653	62	\$160,914

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
-1740960093	\$13,154,390	45	\$292,320
-1740086291	\$26,940,727	147	\$183,270
-1739842518	\$2,310,068	27	\$85,558
-1704715418	\$12,875,152	171	\$75,293
-1661485163	\$3,393,780	31	\$109,477
-1635069591	\$7,537,000	51	\$147,784
-1542448328	\$9,922,578	120	\$82,688
-1520701304	\$4,697,310	77	\$61,004
-1484222959	\$1,444,014	11	\$131,274
-1471661205	\$6,322,000	40	\$158,050
-1461073515	\$92,484,000	302	\$306,238
-1454186553	\$282,778	4	\$70,695
-1432738384	\$3,528,890	33	\$106,936
-1427334167	\$37,484,000	359	\$104,412
-1417226723	\$983,006	11	\$89,364
-1281724603	\$4,028,000	38	\$106,000
-1243439974	\$22,596,956	99	\$228,252
-1241427110	\$10,487,391	104	\$100,840
-1187326382	\$707,341	4	\$176,835
-1169045359	\$5,046,000	43	\$117,349
-1129223838	\$10,578,429	104	\$101,716
-1128703111	\$1,354,620	14	\$96,759
-1126326868	\$2,212,064	19	\$116,424
-1116912576	\$5,470,620	25	\$218,825
-1097459358	\$92,988,380	461	\$201,601
-1086130450	\$26,260,884	105	\$250,509
-1038621441	\$14,126,803	103	\$137,153
-1004329971	\$17,601,176	165	\$106,674
-1000240433	\$15,690,666	102	\$153,830
-999105849	\$2,547,000	21	\$121,286
-995226650	\$4,930,000	24	\$205,417
-947962116	\$4,549,568	34	\$133,811
-934975561	\$4,495,541	39	\$115,270
-885365563	\$3,121,641	34	\$91,813
-857031178	\$11,353,000	99	\$114,677
-852461053	\$932,387	143	\$6,520
-843055880	\$1,606,394	36	\$44,622
-840166025	\$10,585,957	109	\$97,119
-806944983	\$9,609,077	85	\$113,048
-794575305	\$1,406,804	3	\$468,935
-788484912	\$15,056,348	108	\$139,411
-779297214	\$108,005,394	736	\$146,746

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
-759779489	\$43,715,000	160	\$273,219
-726121634	\$1,660,145	14	\$118,582
-702330654	\$12,073,751	125	\$96,590
-692565138	\$6,173,766	23	\$268,425
-681139744	\$13,963,911	85	\$164,281
-674357347	\$5,304,000	52	\$102,000
-672809309	\$10,311,629	28	\$368,272
-654901806	\$10,811,000	53	\$203,981
-622207779	\$3,122,027	41	\$76,147
-591889087	\$2,346,285	237	\$9,900
-585725005	\$16,463,961	85	\$193,694
-560318612	\$4,131,687	22	\$190,664
-554924474	\$171,103	3	\$57,034
-550588573	\$943,348	10	\$97,554
-543809333	\$9,295,728	25	\$371,829
-504989951	\$25,003,966	78	\$320,235
-436909589	\$11,245,912	337	\$33,371
-429565845	\$194,828	8	\$24,354
-426260672	\$677,432	12	\$56,453
-413262258	\$16,722,097	104	\$160,789
-370373838	\$2,195,090	14	\$156,792
-356857349	\$8,882,300	105	\$84,593
-347882712	\$10,155,480	508	\$19,991
-334795766	\$2,737,505	31	\$88,307
-334691552	\$2,927,563	25	\$117,103
-325246775	\$16,232,121	108	\$150,297
-322389137	\$3,344,284	32	\$104,509
-311586268	\$939,857	5	\$187,971
-297716183	\$34,926,049	192	\$181,509
-263774128	\$4,637,869	42	\$110,425
-229337262	\$1,529,815	18	\$84,990
-222714747	\$10,140,682	157	\$64,590
-172876934	\$3,873,669	41	\$94,480
-167523770	\$1,377,000	15	\$91,800
-138492743	\$10,056,766	35	\$287,336
-126595790	\$5,781,000	116	\$49,836
-111557939	\$14,913,000	108	\$138,083
-106605238	\$94,110,272	316	\$297,817
-80321537	\$2,496,868	28	\$88,135
-75360888	\$3,998,950	21	\$190,426
-72799676	\$14,999,842	67	\$223,878
-52573030	\$3,731,345	38	\$99,503

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
-41850669	\$20,268,686	98	\$206,823
-2420921	\$1,191,242	13	\$91,634
-438018	\$32,608,321	116	\$281,106
16573262	\$2,803,311	21	\$133,491
22130970	\$8,378,094	55	\$152,329
48907681	\$1,447,117	11	\$136,779
83564872	\$1,099,835	13	\$84,603
85474563	\$3,475,788	50	\$69,516
92019186	\$4,882,733	27	\$180,842
98077462	\$6,103,725	66	\$92,481
132107069	\$4,875,150	55	\$88,639
215326868	\$8,232,877	105	\$78,408
235292569	\$201,980,000	934	\$216,253
278618212	\$313,150	5	\$62,630
294844867	\$613,236	10	\$61,324
299352457	\$1,090,852	14	\$77,918
300171006	\$2,425,844	22	\$112,830
370006245	\$45,317,479	260	\$174,634
375977128	\$3,275,986	30	\$109,200
416345364	\$6,160,767	431	\$14,294
431287226	\$6,578,244	344	\$19,123
434352811	\$853,056	19	\$43,972
447765204	\$4,050,320	32	\$126,573
456495450	\$22,274,281	77	\$289,276
457871548	\$166,600,000	660	\$252,424
460220479	\$5,323,864	37	\$143,888
461983321	\$9,815,491	70	\$140,221
488397464	\$3,814,820	2122	\$1,798
507638153	\$1,168,480	14	\$83,463
605479507	\$3,393,771	35	\$96,965
695555564	\$3,774,516	18	\$209,695
709865456	\$2,505,135	34	\$73,680
725507790	\$134,197,000	914	\$146,824
737303963	\$7,042,585	40	\$176,065
742517299	\$3,196,691	52	\$61,475
765990946	\$11,298,809	110	\$102,716
769259150	\$7,770,655	16	\$485,666
774637751	\$14,856,715	62	\$239,624
807998327	\$19,015,349	846	\$22,477
816528506	\$9,998,096	41	\$242,085
821736854	\$4,502,400	57	\$78,989
831153636	\$884,344	130	\$6,803

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
870096733	\$10,389,478	82	\$126,701
916493089	\$5,939,422	57	\$104,200
920775500	\$13,044,545	691	\$18,878
921991757	\$23,726,780	113	\$209,972
923653641	\$2,722,000	18	\$151,222
931084257	\$19,809,756	57	\$347,540
931353658	\$13,942,054	69	\$202,059
936755382	\$1,990,490	24	\$82,937
938704928	\$9,793,612	126	\$77,727
952223001	\$3,371,521	31	\$108,759
974323566	\$7,510,846	78	\$96,293
998418962	\$4,612,000	35	\$131,771
1008993417	\$1,065,256	21	\$50,726
1036673242	\$86,665,926	458	\$189,227
1047544912	\$12,706,348	167	\$76,086
1079241463	\$639,588	4	\$159,897
1080100154	\$13,493,317	86	\$156,899
1157306813	\$23,214,000	204	\$113,794
1170995123	\$1,954,476	13	\$150,344
1176704596	\$1,551,985	23	\$68,369
1190314840	\$16,885,829	808	\$20,898
1190725189	\$6,360,142	68	\$93,532
1199996737	\$12,773,634	66	\$193,540
1208792226	\$2,043,850	21	\$97,326
1237998436	\$14,291,766	134	\$106,655
1246033896	\$15,392,000	58	\$265,379
1246285115	\$11,261,303	61	\$184,612
1246302114	\$40,310,044	3115	\$12,941
1246892583	\$5,306,225	43	\$123,401
1247153819	\$7,454,736	63	\$118,329
1247167949	\$57,390,191	259	\$221,584
1247662700	\$105,504,196	395	\$267,099
1247670190	\$112,370,000	998	\$112,595
1247750161	\$158,893	4	\$39,723
1247758341	\$5,834,248	68	\$85,798
1247766035	\$5,108,385	34	\$150,247
1249481184	\$1,492,256	12	\$124,355
1250022715	\$7,189,955	76	\$94,605
1250103435	\$28,962,384	187	\$154,879
1250105714	\$4,800,000	53	\$90,566
1250174776	\$20,457,000	124	\$164,976
1250186876	\$88,739,000	333	\$266,483

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
1250192980	\$433,632	4	\$108,408
1250257754	\$3,281,352	41	\$80,033
1251302450	\$4,018,650	40	\$100,466
1252079576	\$110,491,969	497	\$222,318
1252436282	\$217,035	2	\$108,518
1253720272	\$14,816,335	77	\$192,420
1254322240	\$100,962,620	320	\$315,508
1255105505	\$465,216	5	\$93,043
1256321189	\$1,731,646	20	\$86,582
1256768152	\$2,917,626	34	\$85,813
1256819844	\$52,569,607	195	\$269,588
1256829696	\$5,821,437	62	\$93,894
1256861475	\$511,901	4	\$127,975
1256921129	\$7,230,791	24	\$301,283
1257376509	\$1,926,715	25	\$77,378
1257516574	\$10,874,000	99	\$109,838
1258743222	\$8,813,262	42	\$209,840
1260826068	\$1,978,584	22	\$89,936
1262959682	\$15,889,753	86	\$184,765
1264723282	\$3,640,000	20	\$182,000
1266339861	\$6,975,566	45	\$155,013
1266353281	\$11,331,686	135	\$83,938
1266507166	\$640,737	9	\$71,193
1266857885	\$1,625,000	19	\$85,526
1266942829	\$7,291,000	118	\$61,788
1266943121	\$16,868,347	115	\$146,173
1266947270	\$1,876,145	32	\$58,630
1267027715	\$1,656,638	29	\$57,622
1267462374	\$663,920	10	\$66,392
1267470068	\$10,547,269	76	\$138,780
1267543458	\$6,961,334	90	\$77,348
1267648076	\$3,323,141	26	\$127,813
1267651976	\$10,210,351	71	\$143,808
1268086064	\$10,016,000	34	\$294,588
1268146310	\$3,392,384	45	\$75,386
1268157420	\$25,542,464	321	\$79,572
1268224827	\$1,532,111	8	\$191,514
1268670167	\$355,324,231	1143	\$310,870
1268744533	\$2,474,000	43	\$57,535
1268751244	\$1,688,308	16	\$105,519
1268925702	\$1,794,208	14	\$128,158
1268951389	\$22,679,000	152	\$149,204

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
1269004689	\$161,938	3	\$52,577
1269269057	\$4,748,940	20	\$237,447
1269271489	\$3,866,340	30	\$128,878
1269291616	\$2,906,220	34	\$85,477
1269368306	\$20,343,681	108	\$188,367
1269436574	\$991,000	203	\$4,882
1269956130	\$48,092,000	352	\$136,625
1270041484	\$2,214,350	21	\$105,045
1270057007	\$11,118,850	90	\$123,543
1270480498	\$6,162,659	69	\$89,314
1270494120	\$7,701,343	64	\$120,333
1271250626	\$8,126,174	98	\$82,920
1271253012	\$3,574,300	26	\$137,473
1271254787	\$2,428,448	17	\$142,850
1271444344	\$3,399,635	38	\$89,464
1273082444	\$1,757,269	19	\$92,488
1273151594	\$2,636,265	18	\$146,459
1273511065	\$3,415,979	38	\$89,894
1273604467	\$935,330	16	\$59,386
1273670517	\$1,588,074	9	\$176,453
1274280512	\$185,220	1	\$185,220
1274377941	\$59,439,842	223	\$266,546
1274732253	\$4,418,363	33	\$133,890
1274891083	\$8,212,101	89	\$92,271
1274904043	\$7,013,000	55	\$127,509
1274977621	\$10,041,631	107	\$93,847
1274982453	\$24,617,949	165	\$149,200
1275498608	\$8,194,926	82	\$99,938
1275501481	\$8,854,439	42	\$210,820
1275511967	\$8,679,385	47	\$186,333
1276001619	\$1,921,000	10	\$192,100
1276010273	\$837,229	8	\$104,654
1276103578	\$6,547,098	43	\$152,258
1276522602	\$1,096,375	14	\$78,313
1276536764	\$1,760,404	7	\$251,486
1276720693	\$23,845,594	153	\$155,854
1276793499	\$912,115	8	\$114,014
1276868869	\$90,881,308	633	\$143,572
1276881128	\$6,249,947	65	\$96,153
1277148172	\$4,047,406	51	\$79,361
1277321808	\$29,153,315	202	\$144,323
1277389938	\$1,154,435	11	\$104,949

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
1277834733	\$32,327,732	144	\$225,280
1279745224	\$209,812,000	990	\$211,931
1280248531	\$9,645,673	48	\$200,952
1280327279	\$5,206,736	17	\$306,279
1280333008	\$1,855,202	19	\$97,642
1280413966	\$12,554,000	181	\$69,359
1280432405	\$9,508,149	73	\$130,249
1280778333	\$15,244,156	65	\$234,525
1281015259	\$4,717,220	56	\$84,236
1281019133	\$4,188,055	23	\$182,089
1281025757	\$4,588,575	31	\$148,019
1281031551	\$844,748	6	\$151,389
1281037430	\$686,821	8	\$85,853
1281105917	\$5,609,499	23	\$243,891
1281107514	\$2,896,917	16	\$180,157
1282051642	\$10,719,785	111	\$96,575
1282140686	\$4,415,042	35	\$125,534
1288447499	\$9,275,776	68	\$136,408
1294227725	\$1,198,400	19	\$63,074
1295078554	\$69,520,128	245	\$283,756
1350478164	\$7,764,988	73	\$106,735
1364503640	\$2,604,710	13	\$200,362
1397900651	\$20,812,200	72	\$289,058
1438893258	\$709,112	9	\$76,661
1442035945	\$104,000	62	\$1,677
1456199116	\$14,937,310	71	\$210,385
1461210273	\$688,001	5	\$137,600
1489228822	\$34,534,810	222	\$155,562
1508209231	\$58,126,775	247	\$235,331
1528554001	\$34,240,000	191	\$179,267
1531789493	\$6,468,184	656	\$9,860
1535674410	\$83,743,273	391	\$214,177
1565479699	\$4,024,755	31	\$129,831
1569320561	\$2,785,528	32	\$87,048
1605100384	\$1,196,061	172	\$6,954
1625376772	\$5,722,000	63	\$90,825
1658462633	\$191,092,628	608	\$314,297
1739021199	\$7,540,427	61	\$123,614
1751920052	\$4,841,397	70	\$69,163
1866991437	\$2,250,498	36	\$62,514
1871304606	\$1,807,141	17	\$106,302
1874228463	\$10,409,004	76	\$136,961

<b>Firm Number</b>	<b>Sales</b>	<b>Employment</b>	<b>Productivity</b>
1919568775	\$1,769,572	18	\$98,310
1974568513	\$430,401	16	\$27,768
1974830581	\$1,518,225	16	\$94,889
1976603120	\$4,028,269	37	\$108,872
1995751409	\$14,548,104	254	\$57,276
2012969340	\$24,295,000	185	\$131,324
2044046179	\$27,293,631	110	\$248,124
2050270334	\$59,757,408	192	\$311,237
2071124572	\$30,636,210	212	\$144,510
2086748305	\$37,808,432	175	\$216,048
2109627131	\$11,900,000	75	\$158,667

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

Firms that completed the TAAF Program in FY 2008 report that at completion, average sales were \$10.9 million, average employment was 73, and average productivity was \$150,674 (sales per employee).

Between FY 2008 and FY 2009, one year after completing the program, firms report that average sales increased by one percent, average employment decreased by 10 percent, and average productivity increased by 11 percent. The Bureau of Labor Statistics (BLS) reports that nationwide for the manufacturing industry, average employment decreased 12 percent and average productivity increased by 4 percent.

Between FY 2008 and FY 2010, two years after completing the program, firms report that average sales decreased by 14 percent, average employment decreased by 16 percent, and average productivity increased by 3 percent. BLS reports that nationwide for the manufacturing industry, average employment decreased 12 percent and average productivity increased by 9 percent.

For the purposes of this report, data was reported only for firms where all data was 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. However, BLS' productivity measures relate output to the labor hours used in the production of that output.

Exhibit 22: Summary of Average Sales, Employment, and Productivity at Firms upon Completion of the Program and the One-Year Period Following Completion.

Program Completion	Average Sales	Average Employment	Average Productivity
Completion (FY 2008)	\$10,999,200	73	\$150,674
1st Year Following Completion (FY 2009)	\$11,079,460	66	\$167,871
<b>% Change 1<sup>st</sup> Year Following Completion</b>	<b>1%</b>	<b>-10%</b>	<b>11%</b>

Exhibit 23: Summary of Average Sales, Employment, and Productivity at Firms upon Completion of the Program and the Two-Year Period Following Completion.

Program Completion	Average Sales	Average Employment	Average Productivity
Completion (FY 2008)	\$10,999,200	73	\$150,674
2nd Year Following Completion (FY 2010)	\$9,498,479	61	\$155,713
<b>% Change 2<sup>nd</sup> Year Following Completion</b>	<b>-14%</b>	<b>-16%</b>	<b>3%</b>

Exhibit 24: 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 2008)	Average Sales 1st Yr Following Completion (FY 2009)	Average Sales 2nd Yr Following Completion (FY 2010)	Average Employment at Completion (FY 2008)	Average Employment 1st Yr Following Completion (FY 2009)	Average Employment 2nd Yr Following Completion (FY 2010)	Average Productivity at Completion (FY 2008)	Average Productivity 1st Yr Following Completion (FY 2009)	Average Productivity 2nd Yr Following Completion (FY 2010)
FY08-01	\$39,390,601	\$37,698,350	\$21,692,925	325	275	173	\$121,202	\$137,085	\$125,393
FY08-05	\$10,630,000	\$10,800,000	\$4,800,000	64	55	38	\$166,094	\$196,364	\$126,316
FY08-03	\$28,400,000	\$31,500,000	\$25,150,000	190	180	158	\$149,474	\$175,000	\$159,177
FY08-04	\$5,130,000	\$5,800,000	\$5,325,204	33	35	31	\$155,455	\$165,714	\$171,781
FY08-02	\$16,500,000	\$17,800,000	\$17,000,000	53	55	56	\$311,321	\$323,636	\$303,571
FY08-23	\$3,000,000	\$2,000,000	\$2,000,000	25	25	23	\$120,000	\$80,000	\$86,957
FY08-24	\$7,500,000	\$7,000,000	\$7,020,687	67	65	65	\$111,940	\$107,692	\$108,011
FY08-20	\$2,000,000	\$1,000,000	\$2,400,000	21	10	22	\$95,238	\$100,000	\$109,091
FY08-25	\$4,200,000	\$4,000,000	\$4,200,000	33	31	33	\$127,273	\$129,032	\$127,273
FY08-26	\$1,700,000	\$1,100,000	\$1,200,000	9	9	9	\$188,889	\$122,222	\$133,333
FY08-21	\$6,056,458	\$5,500,000	\$3,006,918	27	31	21	\$224,313	\$177,419	\$143,187

Firm ID	Average Sales at Completion (FY 2008)	Average Sales 1st Yr Following Completion (FY 2009)	Average Sales 2nd Yr Following Completion (FY 2010)	Average Employment at Completion (FY 2008)	Average Employment 1st Yr Following Completion (FY 2009)	Average Employment 2nd Yr Following Completion (FY 2010)	Average Productivity at Completion (FY 2008)	Average Productivity 1st Yr Following Completion (FY 2009)	Average Productivity 2nd Yr Following Completion (FY 2010)
FY08-28	\$3,070,000	\$3,080,000	\$2,300,000	19	18	15	\$161,579	\$171,111	\$153,333
FY08-22	\$10,200,000	\$9,000,000	\$10,000,000	58	55	57	\$175,862	\$163,636	\$175,439
FY08-27	\$18,750,000	\$17,000,000	\$18,500,000	86	80	85	\$218,023	\$212,500	\$217,647
FY08-30	\$275,000	\$248,000	\$229,000	6	8	7	\$45,833	\$31,000	\$32,714
FY08-29	\$313,000	\$416,000	\$533,000	22	12	12	\$14,227	\$34,667	\$44,417
FY08-34	\$3,081,000	\$2,220,000	\$1,597,000	39	25	22	\$79,000	\$88,800	\$72,591
FY08-31	\$17,500,000	\$14,200,000	\$10,900,000	195	160	120	\$89,744	\$88,750	\$90,833
FY08-32	\$3,210,000	\$4,273,000	\$4,637,000	36	41	35	\$89,167	\$104,220	\$132,486
FY08-36	\$18,592,000	\$18,227,000	\$16,852,000	130	105	125	\$143,015	\$173,590	\$134,816
FY08-37	\$354,000	\$859,000	\$1,117,000	5	7	6	\$70,800	\$122,714	\$186,167
FY08-33	\$30,000,000	\$40,000,000	\$40,000,000	200	100	120	\$150,000	\$400,000	\$333,333
FY08-35	\$14,300,000	\$14,200,000	\$13,000,000	38	35	37	\$376,316	\$405,714	\$351,351
FY08-38	\$6,500,000	\$7,100,000	\$8,400,000	50	68	80	\$130,000	\$104,412	\$105,000
FY08-39	\$37,000,000	\$40,000,000	\$43,000,000	440	429	439	\$84,091	\$93,240	\$97,950
FY08-41	\$7,500,000	\$8,900,000	\$9,400,000	25	29	31	\$300,000	\$306,897	\$303,226
FY08-40	\$8,500,000	\$10,500,000	\$10,750,000	15	25	28	\$566,667	\$420,000	\$383,929
FY08-44	\$911,948	\$881,669	\$430,401	20	16	11	\$45,597	\$55,104	\$39,127
FY08-42	\$1,972,425	\$1,629,361	\$945,420	18	14	14	\$109,579	\$116,383	\$67,530
FY08-43	\$19,493,382	\$15,767,000	\$19,000,000	88	86	86	\$221,516	\$183,337	\$220,930
FY08-47	\$520,610	\$452,662	\$301,635	8	6	5	\$65,076	\$75,444	\$60,327
FY08-49	\$4,250,000	\$3,386,346	\$1,818,408	22	19	15	\$193,182	\$178,229	\$121,227
FY08-57	\$769,184	\$816,322	\$674,255	11	11	10	\$69,926	\$74,211	\$67,426
FY08-56	\$2,960,719	\$3,027,576	\$2,292,154	37	37	33	\$80,019	\$81,826	\$69,459
FY08-53	\$7,278,583	\$6,535,827	\$4,675,983	43	36	36	\$169,269	\$181,551	\$129,888
FY08-52	\$6,160,677	\$6,101,363	\$4,593,196	34	26	27	\$181,196	\$234,668	\$170,118
FY08-54	\$41,000,000	\$40,000,000	\$22,500,000	75	70	75	\$546,667	\$571,429	\$300,000
FY08-55	\$29,000,000	\$28,000,000	\$18,700,000	200	204	147	\$145,000	\$137,255	\$127,211
<b>Total</b>	<b>\$10,299,200</b>	<b>\$11,079,460</b>	<b>\$9,498,479</b>	<b>73</b>	<b>66</b>	<b>61</b>	<b>\$150,674</b>	<b>\$167,871</b>	<b>\$155,713</b>

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

In FY 2010, firms received \$8.7 million in technical assistance provided by the TAACs to prepare petitions; and in the development and implementation of Adjustment Proposals (often through business consultants and other experts). Firms participating in the program contributed \$6.1 million towards the development and implementation of Adjustment Proposals. Funds are not provided directly to firms; instead EDA funds TAACs and TAACs pay a cost-shared proportion of the cost to secure specialized business consultants.

Exhibit 25: Summary of TAAF Program Financial Assistance by TAAC: FY 2010

TAAC	TAAC Assistance to Firms	Amount Paid to Consultants by the TAACs	Total TAAC Assistance to Firms (TAACs + Consultants)	Financial Contribution by the Firms
Great Lakes	\$196,060	\$677,560	\$873,620	\$646,809
Mid-America	\$93,836	\$466,399	\$560,235	\$466,399
MidAtlantic	\$309,655	\$910,562	\$1,220,217	\$910,562
Midwest	\$178,428	\$705,954	\$884,382	\$631,906
New England	\$229,249	\$1,283,189	\$1,512,438	\$1,256,739
New York State	\$152,425	\$366,230	\$518,655	\$271,104
Northwest	\$53,257	\$499,053	\$552,310	\$443,905
Rocky Mountain	\$493,122	\$433,261	\$926,383	\$433,261
Southeastern	\$243,177	\$514,935	\$758,112	\$495,659
Southwest	\$128,997	\$453,751	\$582,748	\$373,376
Western	\$98,004	\$183,943	\$281,947	\$170,524
<b>Total</b>	<b>\$2,176,210</b>	<b>\$6,494,837</b>	<b>\$8,671,047</b>	<b>\$6,100,244</b>

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

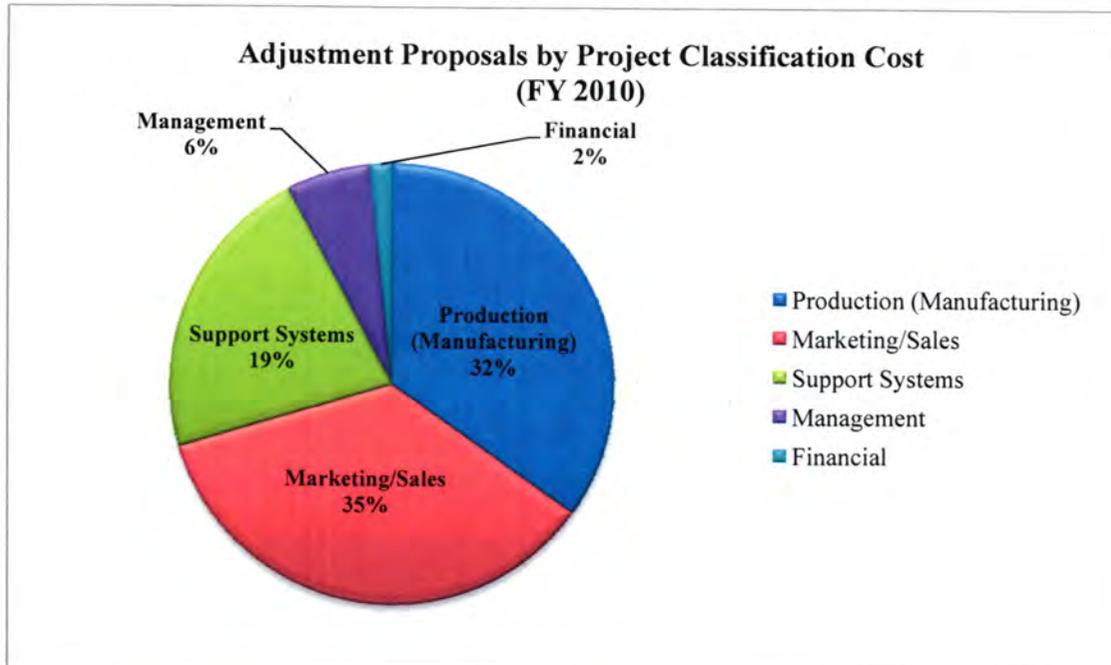
Firms proposed various types of projects in Adjustment Proposals. Marketing/sales projects are geared toward increasing revenue, whereas production/manufacturing projects tend to be geared toward cutting costs. Support system projects can provide a competitive advantage by either cutting costs or creating new sales channels. Management and financial projects are designed to improve management's decision making ability and business control. More than half of all firms proposed to implement

marketing/sales or production/manufacturing projects. Sample projects are listed below in Exhibit 26.

Exhibit 26: Characteristics of Technical Assistance in Adjustment Proposals: FY 2010

<b>Project Classification</b>	<b>Sample Types of Projects</b>	<b>Number of Adjustment Proposal Projects</b>	<b>Adjustment Proposal Project Costs</b>
Financial	<ul style="list-style-type: none"> <li>• Accounting systems upgrade</li> <li>• Cost control tracking system</li> <li>• Automatic Data Processing development</li> </ul>	30	\$517,000
Management	<ul style="list-style-type: none"> <li>• Strategic business planning</li> <li>• Succession management</li> <li>• Management development</li> </ul>	79	\$1,987,100
Marketing/Sales	<ul style="list-style-type: none"> <li>• Sales process training</li> <li>• Market expansion and feasibility analysis</li> <li>• Web site design and upgrade</li> </ul>	228	\$11,416,092
Production	<ul style="list-style-type: none"> <li>• Lean manufacturing and certification</li> <li>• New product development</li> <li>• Production and warehouse automation</li> </ul>	215	\$11,918,300
Support Systems	<ul style="list-style-type: none"> <li>• Enterprise Resource Planning</li> <li>• Management Information Systems upgrades</li> <li>• Computer Aided Design software</li> <li>• Supply chain management software</li> </ul>	162	\$6,984,400

Exhibit 27: Adjustment Proposals by Project Classification: FY 2010



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

In FY 2010, of the 102 firms that left the TAAF program, 57 completed the program and the remaining 45 firms left for the reasons listed below in Exhibit 28.

Exhibit 28: Summary of Firms Leaving the TAAF Program: FY 2010

Reason for Leaving Program	Number of Firms
Completed Assistance	57
Firm Filed Chapter 11	1
Firm Sold	2
Inadequate Funds for Project Implementation	4
Lost Interest in Program	4
Out of Business	11
Past 5-year Threshold	23
<b>Total</b>	<b>102</b>

## Conclusion

TAAF effectively targeted small and medium sized firms FY 2010. The average sales, employment and productivity of firms certified into the program in FY 2010 was higher than that of firms certified in FY 2009. More than half of all firms proposed to implement a marketing/sales project or production/engineering project in their Adjustment Proposals.

Firms that completed the TAAF Program in FY 2008 report that at completion, average sales were \$10.3 million, average employment was 73, and average productivity was \$140,977 (sales per employee). One year after completing the program (FY 2009), firms report that average sales increased by one percent, average employment decreased by 10 percent, and average productivity increased by 11 percent. BLS reported that nationwide for the manufacturing industry in FY 2009, average employment decreased 12 percent and average productivity increased by 4 percent. Two years after completing the program (FY 2010), firms report that average sales decreased by 14 percent, average employment decreased by 16 percent, and average productivity increased by 3 percent. BLS reported that nationwide for the manufacturing industry in FY 2010, average employment decreased 12 percent and average productivity increased by 9 percent.

Overall, there has been an increase in the demand for the TAAF Program in FY 2010, as demonstrated by the increase in the number of petitions for certification and Adjustment Proposals submitted to EDA for approval. In FY 2010, EDA approved an additional 114 petitions, a 53 percent increase as compared to FY 2009; and approved an additional 93 Adjustment Proposals, a 54 percent increase as compared to FY 2009.

The addition of TAAF staff resources facilitated EDA's ability to improve processing time for petitions and Adjustment Proposals in FY 2010. Although there was a spike in petitions and Adjustment Proposals, EDA successfully met the 40-day processing deadline to make a final determination for petitions accepted for filing; and the 60-day processing deadline for approval of Adjustment Proposals as required in the TGAAA. In fact, the average processing time for petitions has started to decline below the 40-day requirement and the average processing time for Adjustment Proposals is below 30 days.