

Congress of the United States
Washington, DC 20515

March 22, 2016

The Honorable John Culberson
Chairman
Commerce, Justice, Science,
and Related Agencies Subcommittee
House Appropriations Committee
H-310, The Capitol
Washington, DC 20515

The Honorable Mike Honda
Ranking Member
Commerce, Justice, Science,
and Related Agencies Subcommittee
House Appropriations Committee
1713 Longworth House Office Building
Washington, DC 20515

Dear Chairman Culberson and Ranking Member Honda:

We are writing to express our support for Trade Adjustment Assistance for Firms (TAAF) as you develop the Fiscal Year 2017 (FY2017) Commerce, Justice, Science, and Related Agencies bill and urge you to provide at least sustained funding for the program for FY2017. Sustained funding would equal at least the FY2016 enacted level of \$13 million.

TAAF, managed by a network of eleven centers across the country, provides **positive and measurable impact on distressed U.S. manufacturers**. A September 2012 study by the U.S. Government Accountability Office (GAO) reported to Congress that participating import-impacted U.S. firms increased their sales by 5 or 6 percent on average. Furthermore, the U.S. Economic Development Administration's (EDA) FY2011 Annual Report to Congress found that two years after completing the program in FY2010, 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. These findings confirm that although designed as comparatively small and nimble program, TAAF has had a significant and positive impact on U.S. firms.

These successes, outpacing the benchmark for the manufacturing industry as a whole, are even more notable as these are firms that are attempting to adjust to import pressures. The program's success has thus enabled these firms to remain employers in their communities, contributing to our economic recovery, expanding the U.S. tax base, and aiding our economic competitiveness, especially by strengthening our manufacturing base. Moreover, GAO found that 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. We believe it is also appropriate to judge the program by the fact that over 95 percent of the distressed companies who participate in the program are still in business after five years, continuing to provide jobs, pay taxes, and contribute to the economic sustainability of their communities.

Under the program, regional centers operate through universities, private companies, or non-profit associations to target small- and medium-sized firms, specializing in business strategies specific to the needs of each firm. Facing adjustments in many areas to compete with lower-priced imports, firms have five years to implement proposals once they are approved by EDA. Assisted firms also contribute a matching share to create and implement their recovery plans. In FY2012, centers provided technical assistance to 341 firms in preparing petitions, 206 firms in preparing adjustment proposals, and 935 firms in implementing projects within their adjustment proposals. EDA certified 79 petitions and approved 102

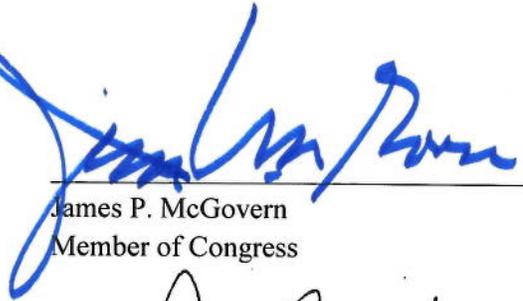
proposals, effectively targeting distressed small- and medium-sized firms, enabling them to obtain the technical assistance they need to remain viable.

As TAAF is the only program specifically designed to help small manufacturers that have been directly hurt by import competition, it is an important component of our national efforts to build and promote U.S. manufacturing. It is a limited and effective program that helps U.S. small businesses respond to foreign imports and make their production lines more efficient. Moreover, the business demand for the program remains high, as demonstrated by the backlog of unfunded approved assistance. We urge you to maintain TAAF's funding levels for FY2017 by at least matching the \$13 million enacted for FY2016 funding. We look forward to working with you to improve our economy and strengthen our manufacturing base.

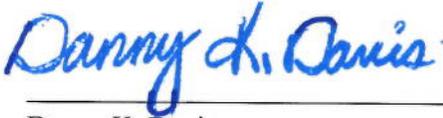
Sincerely,



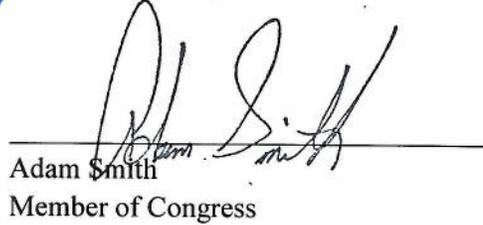
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Member of Congress



James P. McGovern
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Danny K. Davis
Member of Congress



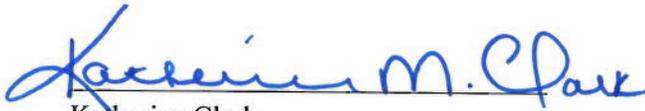
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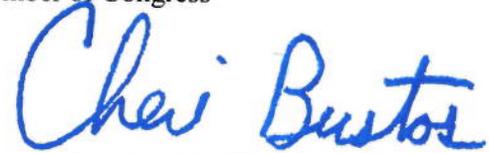
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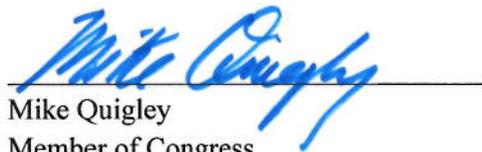
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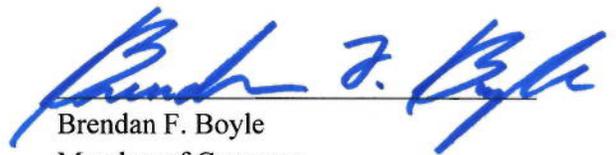
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Member of Congress



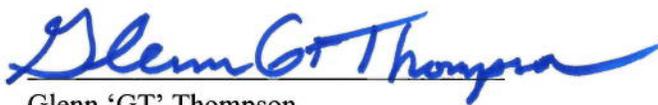
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