## Congress of the United States Washington, DC 20515

The Honorable Frank R. Wolf Chairman Commerce, Justice, and Science and Related Agencies Subcommittee House Appropriations Committee H-309, The Capitol Building Washington, DC 20515

The Honorable Chaka Fattah
Ranking Member
Commerce, Justice, and Science
and Related Agencies Subcommittee
House Appropriations Committee
1016 Longworth House Office
Building
Washington, DC 20515

Dear Chairman Wolf and Ranking Member Fattah,

We write to express our support for Trade Adjustment Assistance for Firms (TAAF) program, and respectfully request and urge that the Commerce, Justice, Science and Related Agencies Subcommittee maintain FY14 funding levels of \$15 million for this important program in its FY 2015 appropriations legislation.

As you know, TAAF is a small, effective, program which provides technical assistance to small American manufacturers which have lost employment and sales due to foreign import competition. Created in the Trade Act of 1974, and regularly reauthorized over the past 40 years, TAAF is administered by the Economic Development Administration at the U. S. Department of Commerce. The program is managed by a network of eleven centers across the country that includes universities, private firms, or non-profit associations and it is the only program specifically designed to help small manufacturers that have been directly hurt by import competition.

Despite its modest funding, TAAF has assisted approximately 900 small U.S. manufacturers in the past 5 years. Those firms were losing sales and employment due to foreign products that were normally produced at a fraction of the cost required to produce the same goods here in the U.S. Despite trending towards failure, those firms engaged TAAF to save <u>and create</u> over **80,000 American jobs**. It cost the federal government \$947 to preserve each manufacturing job in TAAF, yet each job sustained has created federal and state tax revenue of \$25,990 per year, resulting in an astounding return on investment of 2744%.

Congress long ago recognized the wisdom in helping to preserve jobs and paychecks for American workers. Maintaining a vibrant small manufacturing base through TAAF helps assure that workers are not displaced, thus avoiding the costly use of federal funds for displaced services, retraining, unemployment compensation, health insurance and other programs that do not remedy job loss but only ease the impact of those lost jobs.

Several GAO studies, and other independent analysis, verify the direct positive and measurable impact of TAAF on American manufacturers in distress. In a 2012 study, GAO found that 73 percent of the firms in TAAF were assisted in improving profitability, 71 percent indicated TAAF helped them retain employees, and 57 percent reported new hiring because of TAAF.

TAAF helps make small, often family owned, American manufacturers stronger and more competitive. In fact, TAAF has assisted many firms in learning how to export their product overseas.

TAAF strengthens American manufacturing, improves our country's economic competitiveness, promotes exports, and provides employment in communities nationwide. We urge you to maintain strong funding levels for the Trade Adjustment Assistance for Firms program in FY 2015, and we look forward to working with you to improve American manufacturing.

Sincerely,

James P. McGovern Member of Congress Michael Turner Member of Congress

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