Congress of the United States Washington, DC 20515

March 25, 2015

The Honorable John Culberson 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

Washington, DC 20515

Dear Chairman Culberson and Ranking Member Fattah:

We are writing to express our support for Trade Adjustment Assistance for Firms (TAAF) as you develop the Fiscal Year 2016 (FY2016) Commerce, Justice, Science and Related Agencies bill and urge providing at least sustained funding for the program for FY2016.

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 to 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, it has had 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 firms, 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 FY2016. We look forward to working with you to improve our economy and strengthen our manufacturing base.

Sincerely,

Mike Turner

Member of Congress

Japles P. McGovern Member of Congress

Jan Schakowsky Member of Congress	John Conyers Member of Congress
Avette Q. Clouke	Emil Ti Gear
Yvette D. Clarke Member of Congress	Dan Kildee Member of Congress
Peter Welch Member of Congress	Cheri Bustos Member of Congress
André Carson Member of Congress	Ryan Costello Member of Congress
Danny K. Davis Member of Congress	Lloyd Doggett Member of Congress
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