GEORGIA INSTITUTE OF TECHNOLOGY
OFFICE OF CONTRACT ADMINISTRATION
SPONSORED PROJECT INITIATION

Date: Revised February 4, 1980

Project Title: Southeastern Regional Trade Adjustment Assistance Center

Project No: A-2229

Project Director: H. S. Taylor

Sponsor: U. S. Dept. of Commerce/EDA

Agreement Period: From 9/15/78 Until 9/14/79 6/30/80

Type Agreement: New Grant No. 99-26-07061-10 as of 9/19/79
Replaces Grant No. 99-26-09892-10

Amount: $650,000

Reports Required: Work Schedule Plan; Progress & Financial Reports; Final Technical and Financial Reports

Sponsor Contact Person (s):

Technical Matters	Contractual Matters (thru OCA)
Director S. E. Regional Office U. S. Dept. of Commerce/EDA 1365 Peachtree St., N.E., Suite 700 Atlanta, GA 30309	

Defense Priority Rating:

Assigned to: _____ EDL/BDD _____ (School/Laboratory)

COPIES TO:

- Project Director
- Division Chief (EES)
- School/Laboratory Director
- Dean/Director—EES
- Accounting Office
- Procurement Office
- Security Coordinator (OCA)
- Reports Coordinator (OCA)
- Library, Technical Reports Section
- EES Information Office
- EES Reports & Procedures
- Project File (OCA)
- Project Code (GTRI)
- Other _____

CA-3 (3/76)

GEORGIA INSTITUTE OF TECHNOLOGY OFFICE OF CONTRACT ADMINISTRATION

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SPONSORED PROJECT TERMINATION SHEET

Date 8/25/82

Project Title: Southeastern Regional Trade Adjustment Assistance Center

Project No: A-2229

Project Director: H.S. Taylor

Sponsor: U.S. Dept. of Commerce/Economic Development Administration

Effective Termination Date: 6/30/82

Clearance of Accounting Charges: 6/30/82*

Grant/Contract Closeout Actions Remaining:

* Continued by A-2981

- [x] ~~Final~~ Invoice and Closing Documents
- [x] ~~Final~~ Fiscal Report
- [ ] Final Report of Inventions
- [ ] Govt. Property Inventory & Related Certificate
- [ ] Classified Material Certificate
- [ ] Other _____

This termination includes all sub-budgets, sub-projects under A-2229.

Assigned to: EDL/BDD ~~(School~~/Laboratory)

COPIES TO:

Administrative Coordinator	Research Security Services	EES Public Relations (2)
Research Property Management	Reports Coordinator (OCA)	Computer Input
Accounting	Legal Services (OCA)	Project File
Procurement/EES Supply Services	Library	Other _____

FORM OCA 10:781

TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF January, 1980

Part I	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	-0-		19		7	$14,149.88	39
B. Initial Assistance, Total	5		28		1	$8,619.00	4
1. Including Help with EDA Loan Applications	5		27		1		4
2. Other (No Help with EDA Loan Applications)	0		1		0		1
C. Implementation Assistance	1		4		0		1
				TOTALS	9		49

Part II	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	11	110	575
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	2	15	41
2. Petitions Accepted	2	13	31
3. Firms Certified	5	11	24
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	1	5
2. Loan Applications Accepted	0	1	5
3. Loans Approved	0	3	5

A-2229

TAAC Southeastern TAAC

MONTH OF February, 1980

Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	10		23		13	$19,980	45
B. Initial Assistance, Total	2		29	$333,761	4	$19,484	8
1. Including Help with EDA Loan Applications	2		25		1		5
2. Other (No Help with EDA Loan Applications)	0		4		3		4
C. Implementation Assistance	0		4	$170,256	0	-0-	2
				TOTALS	18	$39,464	60

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	31	141	586
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	2	17	43
2. Petitions Accepted	1	14	32
3. Firms Certified	5	13	29
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	1	5
2. Loan Applications Accepted	0	1	5
3. Loans Approved	0	3	5

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TAAC Southeastern TAAC

MONTH OF March 1980

Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	3		22		22[1]		43[2]
B. Initial Assistance, Total	1	$10,000	28	$442,697	4	$19,586	8
1. Including Help with EDA Loan Applications	1		28		3		4
2. Other (No Help with EDA Loan Applications)	0		-0-		1		4
C. Implementation Assistance	1	????	6	$416,694	-0-	-0-	1
TOTALS					30	$19,586	60

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	19	160	605
B. TAAC-Assisted Certification Petitions: 1. Petitions Submitted	6	23	49
2. Petitions Accepted	5	19	37
3. Firms Certified	2	18	31
C. TAAC-Assisted EDA Loan Applications: 1. Loan Applications Submitted	2	3	7
2. Loan Applications Accepted	2	3	7
3. Loans Approved	0	3	5

[1] Includes only Certified firms.

[2] Certified firms and firms which withdrew or had petitions rejected after considerable effort on the part of the TAAC. Also includes denials.

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Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	6		25		24	$22,159	32
B. Initial Assistance, Total	2	$20,000	31	$417,596	5	$21,206	9
1. Including Help with EDA Loan Applications	2		29		4		5
2. Other (No Help with EDA Loan Applications)	0		2		1		4
C. Implementation Assistance	0	-0-	6	$597,476	0	-0-	1
				TOTALS	33	$48,745	51

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	22	182	627
B. TAAC-Assisted Certification Petitions: 1. Petitions Submitted	2	25	44
2. Petitions Accepted	0	22	38
3. Firms Certified	2	22	32
C. TAAC-Assisted EDA Loan Applications: 1. Loan Applications Submitted	0	3	7
2. Loan Applications Accepted	0	3	7
3. Loans Approved	0	3	5

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF May, 1980

Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	9		38		29[1]	25,482	51[1]
B. Initial Assistance, Total	2	15,000	34	394,820	6[2]	28,075	10
1. Including Help with EDA Loan Applications	2		28		2		5
2. Other (No Help with EDA Loan Applications)	0		5		4		5
C. Implementation Assistance	0	-0-	6	503,399	1	89,517[3]	2
TOTALS					42	143,074	73

[1] Includes certified firms, as well as Rejected, Denied, or Withdrawn Petitions which will not be resubmitted.

[2] Initial Assistance to one firm was erroneously reported as complete on previous monthly reports. It is actually still in process.

[3] All consultant invoices have not yet been processed. This figure represents the amount expended to date.

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	27	209	654
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	2[4]	26	56
2. Petitions Accepted	2	23	43
3. Firms Certified	5	28	37
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	4	6
2. Loan Applications Accepted	0	4	6
3. Loans Approved	1	3	4

[4] Four petitions were submitted, but two were resubmittals. Therefore, they were previously reported and are not included in this figure.

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF June 1980

Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	2[1]		31		29[2]	$26,994	51
B. Initial Assistance, Total	2	$20,000	35	$411,820[3]	13	$107,784[4]	17
1. Including Help with EDA Loan Applications	2		29		8		11
2. Other (No Help with EDA Loan Applications)	0		6		5		6
C. Implementation Assistance	0	-0-	6	$483,999[5]	1	$124,312[6]	2
				TOTALS	43	$259,090	70

[1] Assistance to Hayes Metal started in May, but the firm was not counted on the report for that month.

Peden Wood Products received some certification assistance during FY 79; however, the firm was unable to file a petition at that time. The case was reported as inactive on the October monthly report.

[2] Includes certified firms and rejected, denied or withdrawn petitions.

[3] Total value was calculated using the budgets for all initial assistance cases. Firms are paying all costs in excess of the $25,000 government share limit.

[4] Total value was calculated using the actual expenditures for all initial assistance cases.

[5] Budget for all implementation tance cases.

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	22	231	676
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	6[7]	32	62
2. Petitions Accepted	6	29	49
3. Firms Certified	1[8]	29	38
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	6	11
2. Loan Applications Accepted	0	6	11
3. Loans Approved	0	4	8

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF July, 1980

Part I	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	2		26		32	28,612	52
B. Initial Assistance, Total	4		32	352,714	14	168,224	~~17~~ 18 corrected 9/4
1. Including Help with EDA Loan Applications	4		25		9		11
2. Other (No Help with EDA Loan Applications)	0		7		5		6
C. Implementation Assistance	0		6		1	123,312	1
				TOTALS	59	290,149	87

Part II	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	8	239	684
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	1	33	63
2. Petitions Accepted	1	30	50
3. Firms Certified	2	31	42
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	6	11
2. Loan Applications Accepted	0	6	11
3. Loans Approved	0	3	7

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF August 1980

Part I	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	3		25		37	29,281	57
B. Initial Assistance, Total	0		31	352,714	14	167,983	18
1. Including Help with EDA Loan Applications	0		24		9		12
2. Other (No Help with EDA Loan Applications)	0		7		5		6
C. Implementation Assistance	0		6	486,999	1	123,312	2
				TOTALS	66	320,576	95

Part II	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	5	244	689
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	2	35	65
2. Petitions Accepted'	0	30	50
3. Firms Certified	5	36	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	6	11
2. Loan Applications Accepted	0	6	11
3. Loans Approved	1	4	8

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF September 1980

Part I

	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	3		17		40	$30,227	60
B. Initial Assistance, Total	3[1]	30,000	34	383,212	15	299,219	19
1. Including Help with EDA Loan Applications	2		25		10		13
2. Other (No Help with EDA Loan Applications)	1		9		5		6
C. Implementation Assistance	1	38,517	8	530,316	1	123,312	2
TOTALS					71	452,758	100

[1] Two firms entered the initial assistance phase in August, but were inadvertently omitted from that report; therefore, they are being reported as new starts for the month of September.

Part II

	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	10	254	699
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	3	38	68
2. Petitions Accepted	4	34	54
3. Firms Certified	0	36	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	6	11
2. Loan Applications Accepted	0	6	11
3. Loans Approved	0	4	8

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF October 1980

Part I	Assistance Started This Month		Activity in Process During Month		Completed Activity 10/1/79 to Present		Completed Activity 9/15/78 to Present
	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated $ Value of T/A	Number of Firms
A. Certification Assistance	1		15		40	31,477	60
B. Initial Assistance, Total	3	30,000	35	410,485	15	134,166	19
1. Including Help with EDA Loan Applications	2		26		10		13
2. Other (No Help with EDA Loan Applications)	1		9		5		6
C. Implementation Assistance	1	28,000	9	505,884	1	123,312	2
				TOTALS	71	288,955	100

Part II	Number of Firms		
	This Month	10/1/79 to Present	9/15/78 to Present
A. Inquiries	1	255	700
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	4	42	72
2. Petitions Accepted	2	36	56
3. Firms Certified	0	36	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	6	11
2. Loan Applications Accepted	0	6	11
3. Loans Approved	0	5	9

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TAAC Southeastern TAAC — Month of November, 1980

PART I

	Assistance Started This Month	Activity in Process During Month		Completed Activity 10/1/80 to Present			Completed Activity 9/15/78 to 10/1/80
	Number of Firms	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated Gov't Share of T/A	Person-Hours of Effort	No. of Firms
A. Certification Assistance	1	15*		5	1,096	43.7	60
B. Initial Assistance, Total	2	37**	446,810	4	34,162		19
1. Including Help with EDA Loan Application	2	26		2			13
2. Other (No Help with EDA Loan Application)	0	11		2			6
C. Implementation Assistance, Total	0	9***	505,884	0	-0-		2
1. Assisting Firms with EDA Loans	0	5		0	-0-		1
2. Assisting Firms without EDA Loans	0	4		0	-0-		1
D. Adjustment Plan Monitoring Assistance (Not-Chargeable to the Firm)	0	4		0	-0-	-0-	1
			Totals	9	35,258	43.7	81

*Includes 1 inactive projects.
**Includes 3 inactive projects.
***Includes 0 inactive projects.

PART II

	NUMBER OF FIRMS		
	This Month	10/1/80 to Present	9/15/78 to 10/1/80
A. Inquiries	4	259	704
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	1	5	68
2. Petitions Accepted	3	4	55
3. Firms Certified	5	5	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	0	11
2. Loan Applications Accepted	0	0	11
3. Loans Approved	0	0	9
4. Loans Closed	0	0	10
D. Non-EDA Financial Assistance (Loans Closed)	0	0	1

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File Copy
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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF DECEMBER 1980

PART I	Assistance Started This Month	Activity in Process During Month		Completed Activity 10/1/80 to Present			Completed Activity 9/15/78 to 10/1/80
	Number of Firms	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated Gov't Share of T/A	Person-Hours of Effort	No. of Firms
A. Certification Assistance	2	15*		7	1,874	68.7	60
B. Initial Assistance, Total	3	37**	446,910	5	56,311		19
1. Including Help with EDA Loan Application	3	28		2			13
2. Other (No Help with EDA Loan Application)	0	9		3			6
C. Implementation Assistance, Total	0	9***	507,384	0	-0-		2
1. Assisting Firms with EDA Loans	0	5		0	-0-		1
2. Assisting Firms without EDA Loans	0	4		0	-0-		1
D. Adjustment Plan Monitoring Assistance (Not-Chargeable to the Firm)	0	4	413	0	-0-	-0-	1
			Totals	12	58,185	68.7	81

*Includes 1 inactive projects.
**Includes 3 inactive projects.
***Includes 0 inactive projects.

PART	NUMBER OF FIRMS		
	This Month	10/1/80 to Present	9/15/78 to 10/1/80
A. Inquiries	5	264	704
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	4	9	68
2. Petitions Accepted	1	5	55
3. Firms Certified	2	7	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	0	11
2. Loan Applications Accepted	0	0	11
3. Loans Approved	0	0	9
4. Loans Closed	0	0	10
D. Non-EDA Financial Assistance (Loans Closed)	0	0	1

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF JANUARY 1981

PART I

	Assistance Started This Month	Activity in Process During Month		Completed Activity 10/1/80 to Present			Completed Activity 9/15/78 to 10/1/80
	Number of Firms	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated Gov't Share of T/A	Person-Hours of Effort	No. of Firms
A. Certification Assistance	2	15*		10	2,576.65	93.7	60
B. Initial Assistance, Total	3	39**	501,793	6	73,249.00		19
1. Including Help with EDA Loan Application	2	29		3			13
2. Other (No Help with EDA Loan Application)	1	10		3			6
C. Implementation Assistance, Total	1	10***	466,730	0	-		2
1. Assisting Firms with EDA Loans	1	4		0	-		1
2. Assisting Firms without EDA Loans	0	6		0	-		1
D. Adjustment Plan Monitoring Assistance (Not-Chargeable to the Firm)	3	6	542.90	1	232.32	8	1
			Totals	23	76,057.97	101.7	81

*Includes 4 inactive projects.
**Includes 4 inactive projects.
***Includes 1 inactive projects.

PART II

	NUMBER OF FIRMS		
	This Month	10/1/80 to Present	9/15/78 to 10/1/80
A. Inquiries	23	287	704
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	1	10	68
2. Petitions Accepted	3	8	55
3. Firms Certified	1	8	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	0	11
2. Loan Applications Accepted	0	0	11
3. Loans Approved	0	0	9
4. Loans Closed	0	0	10
D. Non-EDA Financial Assistance (Loans Closed)	0	0	1

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TAAC MONTHLY ACTIVITY SUMMARY REPORT

TAAC Southeastern TAAC

MONTH OF FEBRUARY 1981

PART I	Assistance Started This Month	Activity in Process During Month		Completed Activity 10/1/80 to Present			Completed Activity 9/15/78 to 10/1/80
	Number of Firms	No. of Firms	Estimated $ Value of T/A	No. of Firms	Estimated Gov't Share of T/A	Person-Hours of Effort	No. of Firms
A. Certification Assistance	1	11*		13	8,307	146.7	60
B. Initial Assistance, Total	3	37**	385,862	7	80,742		19
1. Including Help with EDA Loan Application	2	26		4			13
2. Other (No Help with EDA Loan Application)	0	11		3			6
C. Implementation Assistance, Total	1	18***	562,781	0	0		2
1. Assisting Firms with EDA Loans	1	4		0	0		1
2. Assisting Firms without EDA Loans	0	6		0	0		1
D. Adjustment Plan Monitoring Assistance (Not-Chargeable to the Firm)	3	9	1,087	1	232	8	1
			Totals	28	89,281	154.7	81

*Includes 3 inactive projects.
**Includes 3 inactive projects.
***Includes 2 inactive projects.

PART II	NUMBER OF FIRMS		
	This Month	10/1/80 to Present	9/15/78 to 10/1/80
A. Inquiries	38	73xx	704
B. TAAC-Assisted Certification Petitions:			
1. Petitions Submitted	1	11	68
2. Petitions Accepted	2	10	55
3. Firms Certified	0	8	47
C. TAAC-Assisted EDA Loan Applications:			
1. Loan Applications Submitted	0	1	11
2. Loan Applications Accepted	0	1	11
3. Loans Approved	1	1	9
4. Loans Closed	0	0	10
D. Non-EDA Financial Assistance (Loans Closed)	0	0	1

xx - Amended figure. See memo dated 3/3/81.

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ENGINEERING EXPERIMENT STATION
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Project Status Report

SOUTHEASTERN TRADE ADJUSTMENT CENTER

Quarterly Report Number 2 Reporting Period 1/1/79 - 3/31/79

Report Date April 5, 1979 Prepared by Robert W. Springfield

DISTRIBUTION: EDA Washington; Mr. Daniel Harrington, Mr. Al Diamond
EDA Southeastern Region; Mr. Jake Henderson, Mr. George Casey

1. UNIVERSITY CENTERS

During the second reporting quarter contractual relationships were established with 6 participating University Centers. These contracts are blanket contracts describing the relationship between the Southeastern TAAC and participating University Centers and can be amended on an as needed basis to reflect specific tasks and expenses. A meeting was held in January with University Center personnel and Georgia Tech staff to outline procedures for outreach, firm assistance, reporting and other aspects of the program.

At present the Southeastern TAAC is authorized to issue up to $25,000 in task assignments to each University Center with all task assignments over $5000 requiring approval of the EDA.

Initial task orders to each University Center covered the outreach program in its respective state. To date, all University Centers except one, have been assigned tasks involving petition and/or technical assistance. The one exception, University of Kentucky, currently has only one active technical assistance case and that case is being handled directly by Georgia Tech TAAC personnel.

An Equal Employment/Education Opportunity Institution

The University Center at Florida State University, after engaging in initial general outreach activities and technical assistance to one firm, has encountered problems with Florida State University accounting system. A meeting was held at Georgia Tech in March to discuss these problems with Florida State University Center and Florida State University accounting personnel. According to the representatives present at that meeting the only way that Florida State can continue to participate in the technical assistance phase of the program is to receive a commitment for enough funds to hire an additional full time staff member to work on the Trade Adjustment Program. Since the Southeastern TAAC is unable and unwilling to make this commitment it was decided that the Florida State University Center will limit its Trade Adjustment involvement to outreach activities. The entire petition and technical assistance workload in Florida therefore will have to be handled by the Georgia Tech TAAC staff and private consultants. A request will be made for funds previously budgeted for Florida State technical assistance services will be shifted to the Georgia Tech staff budget.

It appears that other University Centers may also have a problem scheduling their personnel to cover task order assignments on an intermittant basis. For this reason the Southeastern TAAC staff at Georgia Tech may be required to handle more of the technical assistance work load than originally planned. Recuriting efforts are underway to increase the Georgia Tech TAAC staff to handle this shift in workload.

2. OUTREACH PROGRAM

Dissemination of program information has been conducted by various means. The following list indicates some of the different types of outreach efforts and contacts made during the second quarter of the program.

Seminar participation
Mailings to SIC matched companies
Phone calls to SIC matched companies
Visits to SIC matched companies
Chambers of Commerce
Economic Development Representatives
Newspaper press releases
Television interviews
Trade associations
Trade associations mailings
Banks

Listings of firms for the mail and phone contacts to have been prepared by matching impacted SIC numbers to manufacturing directories of each of the Southeastern states. The contact lists were prepared by the participating University Centers in 6 states and by the Southeastern TAAC for 2 states.

Two seminars, one in Alabama and one in Tennessee have produced minimal results in terms of attendance and petition activity. Some seminar activity therefore has been deferred in favor of alternate outreach efforts. Currently a joint Department of Commerce - Department of Labor Trade Adjustment Seminar is scheduled for June in Atlanta.

An evaluation of year-to-date outreach efforts is underway to determine the progress and results obtained thus far on a state by state basis. The first step in this evaluation will be to determine how all active cases were contacted about the program. Further analysis of year-to-date contacts made by the Southeastern TAAC and participating University Centers will reveal the undeveloped outreach contact opportunities remaining in each state. The information provided by these analyses will be the basis for formulation the outreach efforts for the remainder of the year.

3. REPORTING AND CONTROL SYSTEMS

A manual system for reporting monthly and weekly activities at Georgia Tech and other University Centers was installed. The purpose of the reporting system is to provide a means of controlling and documenting activity at the University Centers and Georgia Tech. These reports also are used as supporting data for the University Center invoice approval process.

Work has continued during the second project quarter on a computer based activity and cost reporting system. The format of the reports produced by this system will serve to provide a history of each case, budgets and costs related to each case, and summary information for monthly reporting figures for EDA. The task of programming for summary information for the monthly project report has been complicated by frequent changes in reporting formats requested by EDA. The computer program revision and debugging for the reporting system is still being worked on. Initial reports are expected from the system in May.

Additional programs have been developed to calculate and graphically plot historical and projected financial operating ratios from historical balance sheets, income statements, and pro forma statements. The calculation and

graphing of these ratios can be used to analyze the historical financial performance of the firm and to determine the validity and feasibility of pro forma financial projections.

4. CERTIFICATION ASSISTANCE

Most certification assistance in the second quarter has consisted of initial visits to get firms started and/or review of completed petitions prior to submission. Year to date experience with petition assistance indicates that any firm with average or better record keeking systems can fill out a petition with little guidance from the TAAC. Occasionally, a firm's record keeping practices are so poor that a major effort is required to obtain data required for petitioning.

5. TECHNICAL ASSISTANCE

A firm's initial interest in the Trade Adjustment Assistance program usually focuses on the loan priviliges. Once the firms familarizes themselves with technical opportunities, their interest often focuses equally on the technical assistance. However, preliminary indications are that a large part of the initial technical assistance provided to firms will be directed forward obtaining loans.

A large percentage of on going technical assistance cases are also from the apparel or needle trades industries. The following analysis show the active technical assistance case load by product category. "Active" cases are defined as firms certified and/or receiving technical assistance.

Industry Category	Percentage of Total
Apparel	48%
Handbags, Footwear	14
Seafood	10
Other	28

The apparel trend will probably continue since there are many apparel firms in the Southeast and the apparel industry is labor intensive and therefore vulnerable to imports.

It is felt that the workshop type meeting scheduled for the TAAC's in Washington will help provide further insight into the mechanics of technical assistance such as recovery plan development, bidding procedures, and loan application preparation. Further insight also may be gained in the area identifying and discussing alternate recovery strategy for particular types of firms such as cut and sew apparel contractors, handbag firms, etc.

A-2229

ENGINEERING EXPERIMENT STATION
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Project Status Report

SOUTHEASTERN TRADE ADJUSTMENT CENTER

Quarterly Report Number 3 Reporting Period 4/1/79 - 6/30/79

Report Date July 12, 1979 Prepared by Elaine M. Storey

DISTRIBUTION: EDA Washington - Mr. Al Diamond
EDA Southeastern Region - Mr. Jake Henderson
Mr. George Casey

ASSISTANCE

Thirty-seven firms were in the process of petitioning during the third quarter. Fifty-four percent were apparel firms, and the remaining 46 percent included plant growers, seafood companies, fishing tackle producers, the steel and iron casting industries, the leather and handbag industries, etc.

Thirty-three percent of the firms with submitted petitions during the third quarter were certified.

Six firms entered the initital assistance phase of the program during the reporting period. The total number of firms receiving initial assistance during the third quarter was 11.

In June, the TAAC completed its initial assistance to one company, which has since entered the implementation phase of assistance. Two other companies are currently in this stage.

Based on the number of firms currently in the petitioning process, we anticipate a substantial increase in the number of initial assistance cases involving recovery plans and loan applications during the next six months.

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OUTREACH

5,982 direct initial contacts have been made as of this date. The positive response rate (i.e., firms requesting further information) is computed to be 5 percent.

A joint Department of Commerce - Department of Labor seminar was held in Atlanta on June 26. In preparation, 3,700 letters were mailed announcing the seminar. Labor related organizations comprised 55 percent of the recipients, and 45 percent of the announcements were sent to banks, bank associations, chambers of commerce, and firms chosen from import impacted industries, as designated on the original SIC list provided by the EDA. An additional 592 firms in Alabams, Georgia and Tennessee were contacted by telephone and invited to attend. News releases, briefly describing the program and the seminar, were sent to every major daily newspaper in the Southeast.

Although unable to send a representative, 102 firms expressed an interest in the program and requested additional information regarding available assistance. 110 persons attended the seminar, with approximately 40 percent representing the private sector.

Other seminars, including a series of four workshops in North Carolina, were held during the quarter. While total attendance for the North Carolina seminars was only 20, 3 certification assistance requests have resulted from these meetings. It is felt that other requests are forthcoming. One of the sessions was filmed by two Charlotte television stations for use on their news broadcast, and this publicity will, no doubt, generate additional interest in the program in that area.

Currently, a trade adjustment seminar is scheduled for July in Miami. Letters of invitation and information on the Trade Adjustment Assistance Program have been sent to 534 firms in the Dade County area.

The feasibility of holding a seminar in Alabama during the next quarter is presently being studied. A mail survey has been undertaken to determine the need and interest in the program.

As we have in past quarters, we will continue to contact firms in trade impacted industries from the SIC list, trade associations, banks, bank associations, and various other organizations during the fourth quarter.

All major outreach activities for the first funding period will be completed during the next quarter. An internal planning session is anticipated during the month of August, at which time we will review our progress and plan strategy for next year's outreach program.

INTERNAL ACTIVITIES

Manual

A TAAC manual containing information regarding operating procedures for the Trade Adjustment Assistance Program has been developed and distributed to all of the university centers, as well as to the TAAC staff. TAAC and university center personnel will be able to use the manual as a means of keeping abreast of any changes in the program and its reporting requirements.

Additionally, we are in the process of formalizing diagnostic overview procedures. Once this process is complete, the new procedures will receive the same distribution as has the TAAC manual.

Staffing

Limitations on the university centers are presented by the fact that they are usually restricted to a particular geographical location. In addition, the staff of the university centers do not always have the required experience or expertise to address the needs of each firm.

Because of these problems, more of the technical assistance workload will be centralized by utilizing a larger professional

TAAC staff. Recruiting efforts for this expansion are currently underway. Actual hiring of new staff members, however, is contingent on approval of the budget changes being requested.

It is expected that much of the outreach and less complicated petitioning assistance will be delegated to the university centers.

Plans are being made for a visit to each of the university centers during the next quarter. At that time, we will review the new TAAC operating procedures and discuss next year's program.

Project A-2229
Grant 99-26-0761-10

A PROJECT STATUS REPORT FOR THE SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

QUARTERLY REPORT

by

Elaine M. Storey

This technical assistance program was accomplished by professional consultants under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and do not necessarily reflect the views of the Economic Development Administration.

Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
December 1979

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PROJECT STATUS REPORT

Assistance

Of the 39 firms in the petitioning process during the first quarter, 51% were apparel companies. Firms producing sporting goods products accounted for approximately 10% of certification petition assistance activity. The remaining 40% of our certification clientele was comprised of producers of medical supplies, gloves, footwear, wood products, coal, wood stoves, finished fabrics, flower arrangements, metal products, and seafood, with no one industry having a significant percentage.

During the quarter, 13 petitions for certificaiton were submitted to the Trade Act Certification Division, and 11 were accepted for filing. The number of firms certified as eligible to receive trade adjustment assistance during the quarter was eight.

The TAAC provided initial assistance to 21 firms during the reporting period. Types of assistance ranged from acting only as an adviser to one firm writing its own recovery plan and loan application, to providing extensive engineering and marketing assistance to several firms. Initial assistance being provided to two firms was completed during the quarter, and two additional organizations are nearing the end of the initial assistance phase of assistance.

In the first quarter, three firms were receiving implementation assistance from the TAAC.

It should be noted that, according to Peggy Almazon of the Economic Development Administration, the Southeastern TAAC does not categorize cases into Phase I and II categories in the same manner as other TAAC's. However, Ms. Almazon made no request for the TAAC to change this procedure.

An increase in all phases of assistance is anticipated by the TAAC for the next quarter. A new outreach approach, to be described later in this report, will be used. This effort is expected to identify and inform more eligible firms of the trade adjustment assistance program.

The number of firms receiving initial assistance in the upcoming quarter is also expected to rise sharply due to the large number of clients in the petitioning process.

One firm is nearing the end of the initial phase of TAAC assistance and will probably enter the implementation phase within the next month. The initial assistance caseload has risen by 90% over the last quarter. Any significant increase in the initial assistance caseload will create a similar increase in implementation assistance activity. As initial assistance concludes, many of the firms receiving this type of assistance will request implementation assistance.

Outreach

During the first quarter of the second grant period, the Southeastern TAAC approach to outreach has been targeted to certain georgraphic areas. Areas of concentration were determined after very closely reviewing the results of the first year's efforts. Because of the small number of cases in Alabama and because Auburn University is no longer participating in the trade adjustment assistance program, emphasis was placed upon reaching firms in that area. Letters and brochures were mailed to firms identified as being potentially impacted, and follow-up telephone calls have been made to most of the firms contacted by mail. The remaining firms to which letters were sent will be contacted by telephone during the next quarter.

Outreach efforts by the Southeastern TAAC staff will continue to focus on Alabama during the next quarter, although contacts will continue to be made in Georgia and South Carolina. A new telephone survey approach will be tested. The survey will be conducted by professional interviewers making use of a structured questionaire. In addition, banks and professional, trade and civic organizations will be contacted to identify potential clients. Efforts will include mailings to a sample of the firms included on the original list of potentially impacted firms, then contacting those organizations.

In addition to the outreach activities of the Southeastern TAAC staff, Western Carolina, one of the five participating university centers, mailed 3,000 brochures to AICPA members during the reporting period.

In the first quarter, outreach plans were formulated for the university centers. A major thrust will be made to contact firms not contacted

during the first grant year and to identify potentially impacted firms which have not appeared on previous lists. Additionally, firms that made initial inquiries, but which did not petition for certification of eligibility to apply for trade adjustment assistance, will be recontacted to determine their eligibility, interest, and awareness of the program.

Problems in beginning initial outreach during the first quarter were encountered due to delays in the official grant renewal. We were unable to renew the contracts with the university centers until the Georgia Tech grant was approved. Therefore, several university centers were unable to begin work on the outreach effort until well after the beginning of the second grant year.

Internal Activities

In October, an internal review was conducted by the Trade Adjustment Assistance Center. All problems and procedures were reviewed, and plans were formulated to improve our operation. These include the following:

1. Improving accounting procedures for chargeable staff time.
2. Realignment of the TAAC organizational structure and responsibilities to address changing and growing workload.
3. Formulating outreach procedures for 1980.
4. Establishing formal training and cross-training procedures for TAAC staff professionals.
5. Improving the internal management reporting system.

Installation of new "intelligent" computer equipment is expected during the forthcoming quarter. The flexibility and capabilities of the new equipment will mean a substantial reduction in clerical time necessary to input data and cycle reports.

Interaction with EDA

During the first quarter, a more complete working relationship with the regional technical assistance office of the Economic Development Administration was achieved. In October, the TAAC staff met at the regional offices with the loan officers and technical assistance staff.

The purpose of this was to review activity for the first year and to produce a better understanding among all parties involved regarding the functions and responsibilities of the TAAC and the regional office, relative to recovery plans, consulting contracts, loan applications, and various other areas.

TAAC operations and procedures were reviewed by Peggy Almazon and Alfred Diamond of the EDA during their early December visit to the TAAC office. Later in the month of December, Mr. James Sample, a consultant associated with the Kensington Institute, also visited the TAAC. He reviewed our operation and made some very useful recommendations. Visits of this nature are welcomed, and we are looking forward to more of them in the future.

One specific area of concern for the TAAC is the impact of the Vanic Bill on its operation. At this point in time, very little direction has been received or planning has taken place by the EDA or the TAAC to prepare for the elements of the bill which will change the scope of the TAAC program. With some guidance from EDA, the TAAC would be able to plan for the increased work load which will, no doubt, be created by implementation of the Vanic Bill.

Personnel

A national recruiting campaign, begun during the first grant year, was continued during this reporting period. Advertisements in professional publications and major daily newspapers resulted in our receiving approximately 600 resumes.

TAAC recruiting efforts resulted in two employees being added to our professional staff. Stephen Wilenchek, who jointed the TAAC in October, was awarded a Bachelor of Science in Industrial Management at Georgia Tech in 1960 and an MBA from Harvard Business School in 1964. With 15 years' experience in the banking industry, Mr. Wilenchek's knowledge of financial planning and commercial lending is proving valuable to the TAAC. Gregory Rice, who was added to our professional team in November, received a BA from DePaul University in 1954 and a JD, also from DePaul in 1974. He has 12 years of executive level apparel

experience and is making a significant contribution in the technical assistance area, especially with respect to apparel firms.

In addition, Mr. Charles Estes will be joining our staff in January. He has an excellent educational background and, most recently, was employed by the Fibers Division of the Monsanto Corporation as Chief of Industrial Engineering. It is expected that he will be a great asset to the program.

Many of the resumes received during the first quarter are still being reviewed. It is expected that two additional people will be hired from these applicants.

Recruiting has been made difficult by our salary constraints in that the compensation the TAAC is able to offer is not competitive with the salaries of equally qualified people in private enterprise. Statistics for Georgia Tech alumni indicate than an entry level position for a person with a bachelor's degree in engineering will afford an average annual salary in excess of $18,000. The average salary for persons with the equivalent of an MBA entering the work force is over $20,000, and for those MSIM graduates with two or more years of working experience prior to receiving a master's degree, the average is almost $23,000.

It has been extremely hard to contract with people who we feel meet our qualifications because we are requiring an MBA and no less than five years (we prefer ten or more years) working experience, yet we are able to pay little more than a person with an MBA and only two years of work experience might expect to earn. Lowering our qualifications would result in a longer training period for new employees. Thus, their effectiveness would be severely limited during the first year of employment.

A request was submitted to EDA in the last quarter to raise the current salary ceiling for professional staff members.

Project A-2229
Grant 99-26-09892-10

PROJECT STATUS REPORT
FOR
THE SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

QUARTERLY REPORT

by

Robert W. Springfield

and

Elaine Storey

This technical assistance program was accomplished by professional consultants under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and do not necessarily reflect the views of the Economic Development Administration.

Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
March 1980

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ASSISTANCE

Certification Petition Assistance

Assistance with the preparation of a petition for certification was provided to 28 firms during the reporting period. Ten petitions were submitted to the Trade Act Certification Division for processing, and eight were accepted for filing. Only one petition, later resubmitted and accepted, was rejected during the quarter. No decision to accept or reject has been made on a petition submitted in late March. Twelve firms were certified as eligible to apply for Trade Adjustment Assistance during the quarter.

Initial Assistance

The number of firms receiving initial assistance in the reporting period was 30, a 30% increase over last quarter's activity.

Implementation Assistance

An increase of 100% was experienced in the implementation assistance caseload. Six firms are now in this phase of assistance.

Analysis of Firms

Little change has been noted in the concentration of industries served by the Southeastern TAAC. Table 1 is a breakdown of firms, by major product, receiving assistance during the reporting period.

As in past quarters, firms producing apparel account for the only significant percentage of TAAC activity.

Table 1

FIRMS RECEIVING ASSISTANCE
(BY MAJOR PRODUCT)

Major Product	Percentage
Apparel	43.2
Steel and metal products	7.5
Framed/flower arrangements	5.6
Fabric and fabric finishing	5.6
Seafood	5.6
Electronic products	3.7
Coal mining	3.7
Shoes	3.7
Handbags	3.7
Wood products	3.7
Other (less than 2%)	14.0

Future Assistance

The Southeastern TAAC believes that its caseload has reached a plateau and will remain fairly even, or even decline slightly, during the next quarters. This is due to several factors, including the failure of the Vanik Bill to pass and the depletion of EDA direct loan monies. Many firms are not interested in an EDA guaranteed loan because of the current high interest rates.

While interest of most firms entering the program continues to focus on financial assistance, the emphasis is expected to change to technical assistance for reasons described in the above paragraph.

Five of the eight professional staff members available to be case managers were hired this quarter and last quarter. These individuals are still in the learning phase regarding trade adjustment regulations, diagnostic reviews, loan packaging, etc. It is anticipated that more initial assistance will be performed by the internal staff as their technical proficiency increases.

As the TAAC program has matured, the demand for implementation assistance has increased and will continue to increase. Some of the implementation projects have involved private consulting engagements lasting several man-months. These projects have depleted private consulting funds at a faster rate than experienced in the past. While EDA has, in the past, indicated that additional funding for these efforts might be available, a recent request produced a negative response. In order to address pending needs in this area, the TAAC will submit a budget amendment request next quarter.

OUTREACH

Contacts with Firms

Letters and brochures were mailed to 440 firms in Tennessee and to 934 in Mississippi. Little response was generated from these efforts. In fact, only three firms replied to the mailings; two were ineligible, and the third will probably petition.

An extensive outreach campaign was undertaken in Alabama. Phone calls and visits were made to several banks and holding companies by TAAC consultants. Additionally, an article describing the assistance available through the Trade Adjustment Assistance Program was published in The Alabama CPA Newsletter. All firms referred by these sources were visited. However, little success has yet been realized from these efforts, although it is too early to determine the long-range effects.

A telephone survey approach to outreach was used in Alabama and Kentucky during the quarter. Professional interviewers, making use of a structured questionnaire, were used to call firms identified by SIC's. The results of the survey were reviewed, and those companies thought to be good potential candidates were visited by a member of the TAAC professional staff. During the visit, the consultant attempted to sell the merits of the program to the prospective client.

Thus far, the telephone survey/visit approach has been the most successful outreach tool used. From 282 telephone calls, 20 potential candidates were located.

Future Activity

Additional telephone surveys will be undertaken in Mississippi, Georgia, Florida, Tennessee, and South Carolina during the next quarter. More calls will be made in Alabama and Kentucky as well.

As noted in the last quarterly report for the period ending in January, the TAAC will continue to handle more of the outreach effort from Georgia Tech, rather than delegating it to the University Centers.

INTERNAL ACTIVITIES

Outreach Recordkeeping

Following the visit of Mr. Jim Samples of the Kensington Institute in December and his report in January, an extensive review of outreach recordkeeping procedures was undertaken. The areas where the Southeastern TAAC were considered deficient were addressed, and recommendations were made for a formalized system which would force prompt follow-up on all outreach contacts.

It is expected that a manual system will be instituted in the immediate future, followed by a computerized system as soon as the programming and formatting can be done. Firms will be recontacted periodically until it is absolutely certain that they either cannot be certified or will not file for certification.

Computerized System

In January a mini-computer was purchased and installed in the Southeastern TAAC offices. Some reprogramming and debugging has been done, and additional programming changes are anticipated. This equipment has made data entry easier, with the effect of lessening the time required to train clerical personnel in the use of the system, as well as the time necessary to enter data. Reformatting of existing computerized reports is being done at this time in order to made them more useful.

A contract was negotiated with the Service Bureau Company (SBC) for a software package to be used in doing pro forma balance sheets, pro forma cash flow statements, and other financial forecasting. This equipment will enable TAAC staff members to decrease the time now being spent preparing the reports manually. Nine staff members were sent to a two-day training class in the application of the package sponsored by SBC in March. Staff members who did not attend the March classes will be trained by SBC representatives in April.

A portable printing terminal has been leased and will be delivered early in the next quarter. The terminal's portability will make it possible for TAAC consultants to carry it to the firm's location, where it will

be used, along with the SBC program, to assist the firm with preparing any necessary financial statements.

TAAC Brochure

During the past quarter, the Trade Adjustment Assistance Center brochure was redesigned and rewritten in an effort to make it more informative and more appealing. It is now undergoing a few, final changes and will be printed and available for distribution within the next month.

Accounting Records

Accounting procedures have been improved in the last quarter by the implementation of separate accounts for certification petition assistance and outreach.

PROFESSIONAL STAFFING

Although recruiting was difficult due to salary limits, the TAAC was able to add three persons to its professional staff during the quarter.

Mr. Charles Estes, who joined the TAAC in January, earned a B.S. in Industrial Engineering at Auburn University in 1971, and the University of South Carolina awarded him an M.B.A. in 1974. Mr. Estes' most recent position was with Monsanto Company, where he was an Industrial Engineering Supervisor.

In February the TAAC hired Mr. James Thomas. Before coming to Georgia Tech, Mr. Thomas was employed in a consulting capacity by Touche Ross and Company. He received an M.S.I.M. from Purdue University and a B.S.I.M. from Georgia Tech.

The third person hired during the quarter is Ed Lindsey, who worked on the Trade Adjustment Assistance Program at Western Carolina University before joining the TAAC in March. His education includes an M.B.A. from the University of Virginia in 1972 and a B.S.I.M. from Georgia Tech in 1970.

These additions bring the professional staff to 10 full-time equivalents. While 12 positions are funded, the two vacancies will not be filled at the current time because it is felt that the present staffing level is sufficient to handle the number of cases being generated.

Project A-2229
Grant 04-16-07095-30

PROJECT STATUS REPORT

FOR

THE SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

Quarterly Report

by

Ed Lindsey

Robert W. Springfield

Elaine Storey

Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
September 1980

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ANALYSIS OF ACTIVITIES

Certification Petition Assistance

New cases per level of assistance, in-process cases per level, and completed cases per level are shown in Table 1. As the statistics in the table indicate, 23 firms received certification assistance during the quarter, and 5 firms were certified as eligible for Trade Adjustment Assistance.

Initial Assistance

As of September 30, 1980, 33 firms were receiving initial assistance (statistics are displayed in Table 1). During the quarter, 8 initial assistance cases, 5 including assistance in preparing the loan application and 3 with no loan application assistance, were completed. A total of 41 firms were in the initial assistance phase during the reporting period.

Loan Application Assistance

Interest in the Trade Adjustment Assistance program for the greater number of firms has continued to focus on financial assistance. Loan activity is shown in the following exhibit:

LOAN ACTIVITY
July 1, 1980 to September 30, 1980

Loans Approved

Case Number	Firm	Product	Amount	Date Approved
2019	Steridyne Corporation	Disposable Thermometer Casings	$400,000	9/80
7003	Leather Classics, Inc.	Leather Coats	$300,000	8/80

With interest rates rising, guaranteed loans will be less desirable than direct loans. However, the recent tightening of lending criteria by EDA will reduce the chances of a repeat of last year's depletion of direct loan funds. If a depletion of direct funds should occur, advance notification of the TAAC by EDA will help avoid the confusion and damage to the TAAC's credibility that resulted from the surprise announcement in fiscal year 1980.

Table 1

FIRM ACTIVITY SUMMARY
SOUTHEASTERN TAAC
July 1980 - September 1980

			Number of Cases
Certification Assistance			
1.	Assistance completed - firms certified		5
2.	Assistance in process		
	a. Client has petition, has not begun	0	
	b. Client has petition, has partially completed	9	
	c. Petition accepted as of 9/30/80, awaiting TACD action	5	
	d. Rejected	2	
	e. Withdrawn	2	
	Total in process		18
	Total number of firms receiving certification assistance		23
Initial Assistance			
1.	Completed - with loan application submitted		5
2.	Completed - without loan application assistance		3
3.	Completed - assigned to inactive status		0
4.	In process as of 9/30/80		33
	Total initial assistance cases		41
Loan Applications			
1.	In process		5
2.	Approved (total dollars)		2 ($700,000)
Implementation Assistance			
1.	Completed		0
2.	In process		8
	Total implementation assistance cases		8

Monitoring Assistance

Following new EDA guidelines, a program of loan monitoring assistance was implemented during the first quarter. Procedures were written, and training in the new procedures was given to all staff members. Some eligible firms were contacted during the first quarter, and the remainder will be contacted prior to January 1, 1981.

Future Assistance

During the next few months, the TAAC expects a slight increase in its technical assistance caseload, followed by a leveling trend. Limited funding will dictate the number of firms which the TAAC will be able to assist. As will be discussed in the "Outreach" section of this report, a direct and deliberate correlation is developing between the TAAC's caseload capacity and the amount of outreach performed.

ANALYSIS OF FIRMS RECEIVING ASSISTANCE

Industry Participation

Table 2 shows the case distribution for major SIC groups at the beginning and end of the second funding period and for the first quarter of the third grant period. The Apparel industry continues to represent the largest percentage of firms (33.9%) receiving assistance. However, this domination appears to be lessening since the Apparel industry accounted for 40.8% at the begining and 38.5% of all TAAC acitivity at the end of the second grant year.

The second largest industry group represented by the TAAC's in-process cases is Textiles with 13.6%.

Manufacturers of leather products currently account for 8.5% of the TAAC caseload, a decrease of almost 4% during the past quarter.

The remaining percentage of in-process cases is spread among 10 industry groups.

During future quarters, the Southeastern TAAC expects a growing shift away from the dominance of the Apparel, Textile, and Leather industries as program recognition increases in other industry groups.

Employment Size of Firms

A high percentage of the TAAC's clientele are firms employing a small number of workers (20 to 49); see Table 3. However, the TAAC anticipates that more large firms will enter the program during the third year as awareness of the quality and magnitude of Trade Adjustment Assistance benefits increases.

State Participation

Table 4 provides a breakdown of the TAAC's "universe" of certifiable firms and in-process cases. As the TAAC concentrates its future outreach efforts in states with little activity, it is anticiated that the leveling trend demonstrated in the table will continue.

Table 2

CASE DISTRIBUTION BY MAJOR SIC GROUPS

Comparison, 1st & 2nd Fiscal Years, & 1st Qtr./3rd Fiscal Year
Southeastern TAAC

	As of 9-79		As of 6-80		As of 9-80	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
·icultural)0-0999	2	4.1%	3	4.6%	3	5.1%
ıing)0-1999	1	2.0	2	3.1	2	3.4
ıufacturing - Food)0-2099	2	2.0	2	3.1	0	0
ıufacturing - Textiles)0-2299	2	4.1	5	7.7	8	13.6
ıufacturing - Apparel)0-2399	20	40.8	25	38.5	20	33.9
ıufacturing - Lumber)0-2499	1	2.0	2	3.1	1	1.7
ıufacturing - Furniture)0-2599	1	2.0	1	1.5	1	1.7
ıufacturing - Paper Goods)0-2699	0	0	0	0	0	0
ıufacturing - Printing)0-2799	0	0	0	0	0	0
ıufacturing - Chemicals)0-2899	0	0	0	0	0	0
ıufacturing - Rubber & Plastic Products)0-3199	0	0	2	3.1	2	3.4
ıufacturing - Leather)0-3199	7	14.3	8	12.3	5	8.5
ıufacturing - Stone, Glass, Concrete)0-3299	0	0	0	0	0	0

Table 2, Continued

	As of 9-79		As of 6-80		As of 9-80	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
ufacturing - Primary Metals 0-3399	1	2.0	3	4.6	3	5.1
ufacturing - Fabricated Metals 0-3499	2	4.1	4	6.2	4	6.8
ufacturing - Machinery 0-3599	1	2.0	2	3.1	3	5.1
ufacturing - Electrical 0-3699	3	6.1	2	3.1	3	5.1
ufacturing - Transportation Equipment 0-3799	0	0	0	0	0	0
ufacturing - Instruments & Optics	0	0	0	0	0	0
ufacturing - Miscellaneous 0-3999	7	14.3	3	4.6	4	6.8
TOTALS	49		65		59	

Table 3

CASE DISTRIBUTION BY EMPLOYMENT SIZE
NEW CASES SINCE JULY 1, 1980
AS COMPARED TO
FY 1978-79 and FY 1979-80

Number of Employees	% of Firms FY 1978-79	FY 1979-80	1st Qtr. FY 1980-81
1-19	17.1	10.6	----
20-49	17.1	17.0	66.7
50-99	17.1	19.1	11.1
100-249	22.4	34.1	22.2
250-499	14.5	12.8	----
500-999	5.2	2.1	----
1,000 +	6.7	4.3	----
TOTALS	100.0	100.0	100.0

Table 4

CASE DISTRIBUTION BY STATE
UNIVERSE OF CERTIFIABLE FIRMS
& IN-PROCESS CASES
JUNE - SEPT. 1980

SOUTHEASTERN TAAC

	Universe		As of 6/80		As of 9/80	
State	Universe	% of Total Universe	Cases	% of Total Cases	Cases	% of Total Cases
Alabama	1,397	10.1%	6	9.2%	6	10.2%
Florida	2,450	17.7	12	18.5	12	20.3
Georgia	1,644	11.9	13	20.0	9	15.3
Kentucky	1,801	13.0	7	10.8	4	6.8
Mississippi	875	6.3	-	-	-	-
North Carolina	2,774	20.0	11	16.9	11	18.6
South Carolina	1,147	8.3	5	7.7	6	10.2
Tennessee	1,781	12.8	11	16.9	11	18.6
TOTALS	13,869		65		59	

OUTREACH

Summary of Outreach Activity

Since June 1980, a total of 23 firms requested and received information on the Trade Adjustment Assistance program. The number of firms submitting petitions during the quarter was 6.

Outreach activity was moderate during the reporting period because of the following considerations:

1. A number of firms identified during the April telephone survey are still being assisted by outreach/petition assistance staff.
2. Third party referrals generated an adequate number of new cases during the reporting period.
3. Monitoring assistance was begun during the quarter.

Future Outreach Activity

Outreach efforts for the next quarter will focus primarily on states which have produced relatively few Trade Adjustment Assistance cases (South Carolina, Kentucky, Alabama, and Mississippi) and on industries which have shown little activity in the program. Approximately 300 firms fitting this description have been identified as a target for several outreach thrusts.

In addition, during the next quarter, a seminar will be co-sponsored by the TAAC, along with the following organizations:

-- U.S. Department of Commerce, Office of Textiles and Apparel;

-- United States Apparel Council; and

-- City of Miami, Department of Trade and Commerce Development.

Approximately 1275 firms within the Southeastern TAAC service region meet the criteria necessary for attendance of the seminar (on exporting). Invitation guidelines were as follow:

1. The firm must be a member of the Textile or Apparel industry.
2. The firm must be certified or certifiable.
3. The firm's sales must not exceed $10 million annually.

It is anticipated that additional seminars will be conducted by the TAAC in Atlanta and North Carolina during the fiscal year.

Work is continuing on the formation of a computerized outreach data base. Completion of this project is expected no later than March 1981.

PROBLEMS AND SUCCESSES ENCOUNTERED

Collections

Collection of the firm's share of technical asistance projects has become a problem in recent months. Working with the Billing Department (Engineering Experiment Station Accounting) and the Accounts Receivable Department (Georgia Tech Research Institute), the TAAC has developed and installed new procedures to shorten the accounts receivable cycle. Under the new procedures, a firm's delinquency and inability to pay may be determined more quickly than in the past, and, accordingly, work for the firm may be stopped before a large "bad debt" is created. Also, a new collections routine for overdue accounts has resulted in the collection of several large payments.

In the event that the current changes do not obtain satisfactory results, an alternate collection and payment plan has been developed and readied for implementation. This contingency plan calls for scheduled advance payments in the initial assistance phase.

Staffing

Due to the late approval of the FY 1981 grant, a delay in recruiting of much needed TAAC personnel occurred. Currently, two vacancies, one clerical and one professional, exist within the organization. Recruiting and identifying qualified personnel has continued to be a problem. In August, the TAAC lost two female professional candidates to the private sector. Expectations are, however, that both vacancies will be filled within the next two months.

Clerical duties have been re-evaluated, and a realignment of responsibilities is planned. Three distinct areas have been identified, and each secretary will be assigned a specific area once the vacant position is staffed.

Word Processing Equipment

Some of the clerical workload problems were alleviated in September with the acquisition of Vydec 1400 word processing equipment. Report production time has been reduced by as much as 50%; thus, the secretaries

are now better able to cope with the large quantity of reports created by increasing technical assistance activity. Because of its advanced capabilities, the Vydec 4000, to be delivered in the second quarter, is expected to further alleviate work scheduling problems.

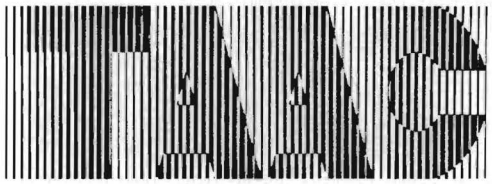
Software Development

A new computer program has been written by a TAAC staff member. Used for financial forecasting, the program does the same analyses as the service formerly leased from the Service Bureau Company. Two problems currently exist with its use, however:

1. The program was designed for use with the TAAC's intelligent computer terminal. The demand on the machine created by the introduction of the program has caused scheduling problems, especially since the same equipment must also be used by the TAAC to store case histories, produce reports, and for the outreach data base currenty being developed.
2. Since the intelligent terminal has no printer, a "hard copy" of the data cannot be produced.

To correct these problems, the TAAC anticipates purchasing an additional terminal and printer for use by the professional staff. Acquisition of this equipment, along with the software developed by TAAC's consultant, will create a cost savings of over $4,000 in the first year and $12,000 every year thereafter since it will eliminate the need for the TAAC's contract with the Service Bureau Company.

SOUTHEASTERN



TRADE
ADJUSTMENT
ASSISTANCE
CENTER

Project A-2229
Grant 04-16-07095-30

PROJECT STATUS REPORT

FOR

THE SOUTHEASTERN TRADE ADJUSTMENT
ASSISTANCE CENTER

Quarterly Report for Oct. - Dec. 1980

By

Ed Lindsey

Robert W. Springfield

Verna M. Hankins

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Tables

ANALYSIS OF ACTIVITIES

Certification Petition Assistance

A total of 19 firms received certification assistance from Southeastern TAAC during the fourth quarter of 1980, with six firms being certified as eligible for Trade Adjustment Assistance. Table 1 illustrates new cases per level of assistance, in-process cases per level, and completed cases per level of assistance.

Initial Assistance

A total of 41 firms were in the initial assistance phase during this reporting period. As of December 31, 1980, 33 firms were receiving initial assistance (see Table 1). During the quarter, 5 initial assistance cases - 2 including assistance with loan application and 3 with no loan application assistance - were completed.

Monitoring Assistance

Four cases are currently receiving loan monitoring assistance as provided for in the [illegible]ted during the first quarter.

Future Assistance

The TAAC continues to expect a slight increase in its technical assistance caseload in ensuing months. This increase is expected both with regard to the quantity of cases as well as complexity of and time required for each case.

Table 1

FIRM ACTIVITY SUMMARY
SOUTHEASTERN TAAC
October 1980 - December 1980

		Number of Cases
Certification Assistance		
1. Assistance completed - firms certified		6
2. Assistance in process		
a. Client has petition, has not begun	0	
b. Client has petition, has partially completed	11	
c. Petition accepted as of 12/31/80 awaiting TACD action	2	
d. Rejected	0	
e. Withdrawn	0	
Total in process		13
Total number of firms receiving certification assistance		19
Initial Assistance		
1. Completed - with loan application submitted		2
2. Completed - without loan application assistance		3
3. Completed - assigned to inactive status		3
4. In process as of [illegible]		33
Total initial assistance		41
Implementation Assistance		
1. Completed		0
2. In process		9
Total implementation assistance cases		9

ANALYSIS OF FIRMS RECEIVING ASSISTANCE

Industry Participation

Table 2 shows the case distribution for major SIC groups at the beginning and end of the second funding period and for the second quarter of the third grant period. Participation of several industries increased slightly during the reporting period, with leather manufacturing registering the largest increase - up 4% from last quarter. Two industries not participating during the last reporting period (food manufacturing and transportation equipment manufacturing) now both represent 1.8% of the TAAC's total caseload.

The Apparel industry, at 33.9%, continues to represent the largest percentage of firms receiving assistance from the Southeastern TAAC.

The second largest industry group represented by the TAAC's in-process cases is Leather with 12.5%.

Manufacturers of Textile products currently account for 10.7% of the TAAC caseload, a decrease of almost 4% during the past quarter.

The remaining percentage of in-process cases is spread among 12 industry groups.

During future quarters, the Southeastern TAAC expects a growing shift away from the dominance of the Apparel, Textile, and Leather industries as program recognition increases in other industry groups.

Employment Size of Firms

A high percentage of the TAAC's clientele are firms employing a small number of workers (20 to 49); see Table 3. As reported last quarter, the TAAC anticipated that more large firms would enter the program during the third year as awareness of the quality and magnitude of Trade Adjustment Assistance benefits increased. Second quarter statistics bear out this expected trend.

Table 2

CASE DISTRIBUTION BY MAJOR SIC GROUPS

Comparison, 1st & 2nd Fiscal Years, & 2nd Qtr./3rd Fiscal Year
Southeastern TAAC

	As of 9/79		As of 6/80		As of 12/80	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
Agricultural 0000 - 0999	2	4.1%	3	4.6%	3	5.4%
Mining 1000 - 1999	1	2.0	2	3.1	2	3.6
Manufacturing - Food 2000 - 2099	2	2.0	2	3.1	1	1.8
Manufacturing - Textiles 2200 - 2299	2	4.1	5	7.7	6	10.7
Manufacturing - [illegible] 2300 - 2399	20	40.8	25	38.5	19	33.9
Manufacturing - Lumb[illegible] 2400 - 2499		2.0	2	3.1	1	1.8
Manufacturing - Furniture 2500 - 2599	1	2.0		.5	1	1.8
Manufacturing - Paper Goods 2600 - 2699	0	0	0	0	0	0
Manufacturing - Printing 2700 - 2799	0	0	0	0	0	0
Manufacturing - Chemicals 2800 - 2899	[illegible]	0	0	0	0	0
Manufacturing - Rubber & Plastic Products 3000 - 3099	0	0	2	3.1	1	1.8
Manufacturing - Leather 3100 - 3199	7	14.3	8	12.3	7	12.5
Manufacturing - Stone, Glass, Concrete 3200 - 3299	0	0	0	0	0	0

Table 2, Continued

	As of 9/79		As of 6/80		As of 12/80	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
Manufacturing - Primary Metals 3300 - 3399	1	2.0	3	4.6	2	3.6
Manufacturing - Fabricated Metals 3400 - 3499	2	4.1	4	6.2	3	5.4
Manufacturing - Machinery 3500 - 3599	1	2.0	2	3.1	3	5.4
Manufacturing - Electrical 3600 - 3699	3	6.1	2	3.1	2	3.6
Manufacturing - Transportation Equipment 3700 - 3799	0	0	0	0	1	1.8
Manufacturing - Instruments & Optics 3800 - 3899	0	0	0	0	0	0
Manufacturing - Miscellaneous 3900 - 3999	7	14.3	3	4.6	4	7.1
TOTALS	49		65		56	

Table 3

CASE DISTRIBUTION BY EMPLOYMENT SIZE
NEW CASES SINCE OCTOBER 1, 1980
AS COMPARED TO
FY 1978-79 and FY 1979-80

Number of Employees	% of Firms FY 1978-79	% of Firms FY 1979-80	% of Firms 2nd Qtr. FY 1980-81
1-19	17.1%	10.6%	----
20-49	17.1	17.0	----
50-99	17.1	19.1	----
100-248	22.4	34.1	42.9
250-499	14.5	12.8	42.9
500-999	5.2	2.	----
1,000 +	6.7	4.3	14.3
TOTALS	100.0	100.0	100.0

OUTREACH

Summary of Outreach Activity

Surveys. In December, a new outreach effort was begun, concentrating on Alabama, Kentucky, Mississippi, and South Carolina. A total of 112 contacts was made, with 32% of the firms contacted being identified as potentially eligible for Trade Adjustment Assistance. Inquiries have been received from firms located in each of the above states. Initial outreach plant visits are being scheduled for January, and initial phone contacts continue.

Table 4 provides a breakdown of the TAAC's "universe" of certifiable firms and in-process cases. As the TAAC continues to concentrate future outreach efforts in states with heretofore little activity, it is anticipated that the leveling trend demonstrated in the table will continue.

Inquiries. In addition to the outreach efforts described above, 33 firms have requested and received information on the Trade Adjustment Assistance program since the beginning of the funding period. The number of firms submitting pet[illegible]s quarter was 9.

Seminars. During [illegible], a seminar was co-sponsored by the TAAC and the following organizatio[illegible]

-- U.S. Department of Commerce, Office of Textiles and Apparel;
-- United States Apparel Council; and
-- City of Miami, Department of Trade and Commerce Development.

Approximately 1275 firms within the Southeastern TAAC service region met the criteria necessary for attendance of the seminar (on exporting). Invitation guidelines were as follow:

1. The firm must b[illegible]mber of the Textile or Apparel industry.
2. The firm must be certified or certifiable.
3. The firm's sales must not exceed $10 million annually.

The Southeastern TAAC participated in a seminar sponsored by Touche Ross Company, which was attended by approximately 200 business managers and owners from the private sector.

During the quarter, TAAC members also made a presentation at the Regional Meeting of the Economic Development Administration, at which approximately 400 persons connected with state government and regional planning districts were present.

Future Outreach Activity

Outreach efforts for the next quarter will continue to focus primarily upon states having relatively few Trade Adjustment Assistance cases (South Carolina, Kentucky, Alabama, Mississippi), and on industries which have shown little activity in the program.

Work continues on the computerized outreach data base, with completion still expected by March 1981.

Seminars co-sponsored by the TAAC in Atlanta and North Carolina are also anticipated for this fiscal year.

Table 4
CASE DISTRIBUTION BY STATE
UNIVERSE OF CERTIFIABLE FIRMS AND IN-PROCESS CASES
DECEMBER 1980

SOUTHEASTERN TAAC

	Universe		As of 6/80		As of 12/80	
State	Universe	% of Tot Univers	Cases	% of Total Cases	Cases	% of Total Cases
Alabama	1,397	10.	6	9.2%	3	5.4%
Florida	2,450	17.	12	18.5	12	21.4
Georgia	1,644	11.9	13	20.0	12	21.4
Kentucky	1,801	13.0	7	10.8	4	7.1
Mississippi	875	6.3	-	-	-	-
North Carolina	2,774	20.0	11	16.9	10	17.9
South Carolina	1,147	.3	5	7.7	4	7.1
Tennessee	1,781	12.8	11	16.9	11	19.6
TOTALS	13,869		65		56	

PROBLEMS AND SUCCESSES ENCOUNTERED

Collections

Last quarter, the TAAC reported a developing problem with client firm cost-sharing collection. New procedures were developed and initiated to shorten the accounts receivable cycle. Now, a firm's delinquency and/or inability to pay can be determined more quickly and, therefore, work for the firm may be halted before a large "bad debt" is created. The new collections routine for overdue accounts has resulted in collection of several large overdue payments.

Staffing

With the hiring of Ms. Sandy Brickey, TAAC is now at full capacity with regard to its clerical staff. Ms. Brickey joined the staff on January 5. However, beginning January 30, the senior clerical staff member will begin a three-month maternity leave. While realignment of clerical responsibilities is still planned, assignment of specific duties, as discussed in the last quarterly report, may have to be delayed until the senior staff member returns.

During this reporting period, TAAC's efforts to recruit professional staff members were again adversely affected by [illegible] of salary competitiveness with the private sector. Two female professional candidates accepted offers from [illegible] sector last August, and, in December, a third professional candi[illegible]d down a position with the TAAC due to available salary.

One professional vacancy continues to exist within the TAAC. It is expected that this vacancy will be filled during the next quarter.

TAAC continues to make a concerted effort to employ individuals from minority areas vis-a-vis two females for professional positions and one black female for the clerical position. In all three cases, TAAC's efforts were negated by higher paying job offers.

Word Processing Equipment

Delivery of the Vydec 4000, with advanced capabilities, is expected during the third quarter. This word processing equipment is expected to further alleviate work scheduling problems discussed in previous reports.

Software Development

The additional terminal and printer discussed under the "Software Development" section of the last quarterly report has been ordered, with delivery expected during the third quarter. Acquisition of this equipment, along with the software developed by TAAC's consultant, will create a cost savings of more than $4,000 in the first year and $12,000 every year thereafter since it will eliminate the need for the TAAC's contract with the Service Bureau Company.

Loan Candidates

The full ramif[illegible] f the 15% equity rule remain to be seen. Although it is certain [illegible]te some undesirable firms, it may also induce the "narrow band" of good firms to turn to alternative financing sources. These firms are obviously the most desirable loan candidates for EDA.

Visit by EDA Sponsor

Ms. Peggy Almazan visited the Southeastern TAAC offices during the quarter. Her visit included meeting with regional EDA officials to discuss the working relationshi[illegible]egional EDA and TAAC.

TAAC files and procedures were reviewed.

Ms. Almazan's recommendations included 1) the establishment of an internal adjustment plan review committee, and 2) improvement of file documentation regarding justification for sole source contracts under $5,000.

In addressing the first recommendation, TAAC plans to update and expand internal written procedures describing content and format for diagnostics

and adjustment plans. This procedure will better define what is expected from project managers. Once this is completed, an internal review committee will be established to assist staff members in the formulation and presentation of their recommendations.

With regard to the second recommendation, TAAC has installed a structured documentation procedure for justification on all sole source contracts under $5,000.

Project A-2229
Grant 04-16-07095-30

PROJECT STATUS REPORT

FOR

THE SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

Quarterly Report for Jan. - March 1981

By

Ed Lindsey

Robert W. Springfield

Verna M. Hankins

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ANALYSIS OF ACTIVITIES

Certification Petition Assistance

New cases per level of assistance, in-process cases per level, and completed cases per level are shown in Table 1. As the statistics in the table indicate, 26 firms received certification assistance during the quarter, and 4 firms were certified as eligible for Trade Adjustment Assistance.

Initial Assistance

As of March 31, 1981, 44 firms were receiving initial assistance (statistics are displayed in Table 1). During the quarter, 3 initial assistance cases -- all including assistance in preparing the loan application -- were completed.

Monitoring Assistance

Ten cases received loan monitoring assistance during this reporting period, with assistance to one firm being completed. Nine loan-monitoring cases are currently in-process.

Loan Assistance

The loan application for one firm, an apparel manufacturer, was approved during the quarter. The direct loan was for the amount of $142,000.

Table 1

FIRM ACTIVITY SUMMARY
SOUTHEASTERN TAAC
As of 3/31/81

		Number of Cases
Certification Assistance		
1. Assistance completed - firms certified		4
2. Assistance in process		
a. Client has petition, has not begun	4	
b. Client has petition, has partially completed	9	
c. Petition accepted as of 3/31/81, awaiting TACD action	3	
d. Petition submitted, awaiting TACD action	2	
d. Rejected	1	
e. Withdrawn	3	
Total in process		22
Total number of firms receiving certification assistance		26
Initial Assistance		
1. Completed - with loan application submitted		1
2. Completed - without loan application assistance		2
3. Completed - assigned to inactive status		0
4. In process as of 9/30/80		41
Total initial assistance cases		44
Loan Applications		
1. In process		0
2. Approved (total dollars)	$142,000	1
Implementation Assistance		
1. Completed		0
2. In process		12
Total implementation assistance cases		12
Loan Monitoring Assistance		
1. Completed		1
2. In process		9
Total loan monitoring assistance cases		10

ANALYSIS OF FIRMS RECEIVING ASSISTANCE

Industry Participation

Table 2 shows the case distribution for major SIC groups at the beginning and end of the second funding period and for the third quarter of the grant period. Participation of several industries increased during the reporting period, including agricultural, textile manufacturing, furniture manufacturing, primary metal manufacturing, and electrical and transportation equipment manufacturing.

The largest increases were in the electrical and textile manufacturing industries, which were up 3.34 and 4.57%, respectively.

One industry not participating during the last report period -- optical instrument manufacturing -- now represents 1.38% of SETAAC's total case load.

Apparel manufacturing continues to represent the largest SIC classification with which SETAAC is involved; the second largest industry group represented by TAAC's in-process cases is textiles at 15.27%.

The remaining percentage of in-process cases is spread among 13 industry groups.

Employment Size of Firms

The majority of TAAC's clientele are firms employing a small number of workers (20 to 49); however, as TAAC anticipated at the beginning of the funding period, larger firms are entering the program, presumably due to increased awareness of the Trade Adjustment Assistance benefits which are available. See Table 3.

State Participation

Table 4 provides a breakdown of the TAAC's "universe" of certifiable firms and in-process cases. Increases have been experienced (since the last quarter) in the number of cases from Florida and North Carolina, while decreases have occurred in the states of South Carolina, Alabama, Kentucky, and Georgia.

Table 2

CASE DISTRIBUTION BY MAJOR SIC GROUPS

Comparison, First and Second Fiscal Years,
and Third Quarter/Third Fiscal Year
Southeastern TAAC

	FYE 9/79		FYE 6/80		As of 3/81	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
Agricultural 0000 - 0999	2	4.1%	3	4.6%	3	4.16
Mining 1000 - 1999	1	2.0	2	3.1	2	2.77
Manufacturing - Food 2000 - 2099	2	2.0	2	3.1	1	1.38
Manufacturing - Textiles 2200 - 2299	2	4.1	5	7.7	11	15.27
Manufacturing - Apparel 2300 - 2399	20	40.8	25	38.5	24	33.33
Manufacturing - Lumber 2400 - 2499	1	2.0	2	3.1	1	1.38
Manufacturing - Furniture 2500 - 2599	1	2.0	1	1.5	2	2.77
Manufacturing - Paper Goods 2600 - 2699	0	0	0	0	0	0
Manufacturing - Printing 2700 - 2799	0	0	0	0	0	0
Manufacturing - Chemicals 2800 - 2899	0	0	0	0	0	0
Manufacturing - Rubber & Plastic Products 3000 - 3099	0	0	2	3.1	1	1.38
Manufacturing - Leather 3100 - 3199	7	14.3	8	12.3	7	9.72
Manufacturing - Stone, Glass, Concrete 3200 - 3299	0	0	0	0	0	0

Table 2, Continued

	FYE 9/79		FYE 6/80		As of 3/81	
	Cases	% of Total	Cases	% of Total	Cases	% of Total
Manufacturing - Primary Metals 3300 - 3399	1	2.0	3	4.6	3	4.16
Manufacturing - Fabricated Metals 3400 - 3499	2	4.1	4	6.2	4	5.55
Manufacturing - Machinery 3500 - 3599	1	2.0	2	3.1	3	4.16
Manufacturing - Electrical 3600 - 3699	3	6.1	2	3.1	5	6.94
Manufacturing - Transportation Equipment 3700 - 3799	0	0	0	0	2	2.77
Manufacturing - Instruments & Optics	0	0	0	0	1	1.38
Manufacturing - Miscellaneous 3900 - 3999	7	14.3	3	4.6	5	6.94
TOTALS	49		65		72	

Table 3

CASE DISTRIBUTION BY EMPLOYMENT SIZE
NEW CASES SINCE OCTOBER 1, 1980
AS COMPARED TO
FY 1978-79 and FY 1979-80

Number of Employees	% of Firms FY 1978-79	% of Firms FY 1979-80	% of Firms 3rd Qtr. FY 1980-81
1-19	17.1%	10.6%	----
20-49	17.1	17.0	33.4
50-99	17.1	19.1	20.0
100-248	22.4	34.1	20.0
250-499	14.5	12.8	13.3
500-999	5.2	2.1	13.3
1,000 +	6.7	4.3	----
TOTALS	100.0	100.0	100.0

OUTREACH

Summary of Outreach Activity

Since October 1980, a total of 76 firms have requested and received information on the Trade Adjustment Assistance program. The number of firms submitting petitions during the quarter was 5.

An outreach survey was conducted again during this reporting period, with the effort concentrating on Alabama, Kentucky, Mississippi, and South Carolina -- states heretofore having less-than-desired representation with SETAAC. A total of 39 contacts was made, and 9 of these firms have been identified as potentially eligible for Trade Adjustment Assistance.

In addition, a number of firms identified during the December telephone survey are being assisted by outreach/petition assistance staff.

Future Outreach Activity

Outreach efforts will continue to focus primarily on states which have produced relatively few Trade Adjustment Assistance cases (South Carolina, Kentucky, Alabama, and Mississippi) and on industries which have shown little activity in the program. Approximately 300 firms fitting this description have been identified as a target for outreach thrusts.

Computerized Outreach Data Base

The much-anticipated computerized outreach data base is now 95% complete. "Trial runs" were initiated during the third quarter. The data base will enable SETAAC to make initial contact with a large number of potentially eligible firms. Designation of these firms can be based on industrial classification, location, and/or employment size. Information made possible through the computer programs can be utilized either in "report" form or in mass mailings form.

Table 4
CASE DISTRIBUTION BY STATE
UNIVERSE OF CERTIFIABLE FIRMS AND IN-PROCESS CASES
January - March 1981

SOUTHEASTERN TAAC

			As of 6/80		As of 3/81	
State	Universe	% of Total Universe	Cases	% of Total Cases	Cases	% of Total Cases
Alabama	1,397	10.1%	6	9.2%	4	5.5%
Florida	2,450	17.7	12	18.5	18	25.0
Georgia	1.644	11.9	13	20.0	12	16.7
Kentucky	1.801	13.0	7	10.8	4	5.5
Mississippi	875	6.3	-	-	2	2.8
North Carolina	2,774	20.0	11	16.9	17	23.6
South Carolina	1,147	8.3	5	7.7	4	5.6
Tennessee	1,781	12.8	11	16.9	11	15.3
TOTALS	13,869		65		72	

PROBLEMS AND SUCCESSES ENCOUNTERED

Software Development

The additional terminal and printer previously ordered were delivered during this reporting period. Programming has begun, and the program is expected to be operational in the very near future. The new software is expected to yield a cost savings of $4,000 the first year and $12,000 during subsequent years.

Due to a need for general maintenance, the SETAAC's original computer terminal will be unavailable for the first month of the fourth reporting period. Some delay in development of both sponsor-required and in-house reports can be expected, but it is anticipated that the problem will be resolved by the second month of the quarter.

Loan Candidates

As yet, there is little indication of the full effect of the 15% equity rule. The loan approved during this quarter was obtained after injection of the required new equity into the firm by management.

Staffing

Staffing continues to present a problem for SETAAC. Active interviewing of professionals to fill the existing vacancy were conducted throughout the quarter. As yet, however, the position remains unfilled.

Due to severe absentee and tardiness problems, the newest member of SETAAC's clerical staff, a senior secretary, was terminated during the quarter. The senior clerical staff member, a staff assistant, was on maternity leave a large portion of the quarter, and has recently submitted her formal resignation. Placement of ads and subsequent interviewing of applicants to fill these two vacancies will begin in the immediate future. Once the clerical staff has returned to full capacity, alignment of specific duties, based generally on the phases of technical assistance provided by SETAAC, will be begun.

Word Processing Equipment

The Vydec 4000, ordered during the first quarter of this funding period, is not yet ready for delivery, according to Vydec Corporation. According to the firm, however, this new word processor and accompanying printer will be available by the end of the fourth quarter. The present Vydec system alleviates a great deal of repetitious typing and work scheduling problems for the clerical staff. It is expected that the new, more sophisticated system, will alleviate these problems to an even greater extent.

Move to New Facilities

The Southeastern TAAC, as part of the Georgia Tech Economic Development Laboratory, will be moving to new facilities during the next quarter. In preparation for this move, much attention has been devoted during the past two months to space availability and requirements.

Project A-2229
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FIRST ANNUAL REPORT
OF
THE SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

Final Report

Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
September 1978

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TABLES

INTRODUCTION

The Southeastern Trade Adjustment Assistance Center (TAAC) was established by the United States Department of Commerce, Economic Development Administration, to provide assistance to domestic firms in the region which have been impacted by direct competition with foreign imports. The Southeastern Trade Adjustment Assistance Center is operated by the Engineering Experiment Station, a unit of the Georgia Institute of Technology. The service region of the Southeastern Trade Adjustment Assistance Center includes the states of Florida, Georgia, Alabama, Mississippi, Tennessee, Kentucky, North Carolina, and South Carolina. Contractual relationships exist between Georgia Tech and six other EDA University Centers in this region to provide assistance to impacted firms.

The basic mission of the Southeastern TAAC is threefold:

1. To disseminate information about the Trade Adjustment Assistance Center by identifying and contacting firms and public and private organizations that could benefit from the program;
2. To assist impacted firms in understanding the Trade Adjustment Assistance program and in obtaining EDA certification; and
3. To provide goal-oriented technical assistance to firms to help them recover from import injury and to assure that they become stable, viable businesses.

The major tasks of the first year included the establishment of financial, record-keeping, and internal and external management reporting systems; the arrangement of contractual relationships with other EDA University Centers; and the recruitment and training of professional and clerical Trade Adjustment Assistance Center staff. A major outreach (information dissemination) thrust was completed during the year, and there are currently 6 cases in the certification petition or technical assistance phase. This

report discusses the activities and related accomplishments, problems, and general operating procedures of the Southeastern Trade Adjustment Assistance Center's first year.

OUTREACH

Methodology

Since the establishment of the Trade Adjustment Assistance Centers was a new concept, the initial effort of the TAAC program was necessarily one of publicity and outreach. This consisted of two components: contact with firms in the southeastern region which had been certified prior to the activation of the Center, and the identification of and subsequent contact with firms which might be trade-impacted and therefore needed to be informed about the program.

There were 12 firms already certified under the program when the Center was established. The TAAC staff contacted each of these firms by telephone to describe the program and the Center's function and visited those firms which requested a more detailed explanation of how the program could address their particular needs. Five of these firms were developed into technical assistance cases, requiring services that ranged from loan application to implementation assistance.

The most significant outreach challenge was and still remains the identification and contact of impacted firms that are not aware of the program and its resources. The initial listing of potentially certifiable firms in Georgia and South Carolina was developed by utilizing the Standard Industrial Classifications (SIC's) of already certified firms and then matching those firms in the state manufacturing directories with the same SIC's. As subcontracts were placed with University Centers in the remaining six states, this methodology was recommended to them. Generally, each Center developed a listing for its state and used it in full or in part, depending on geographical area, financial limitations, and employment or manpower restraints. Contact methods varied, as each Center adopted the technique that was best suited to its own capabilities. Thus, the full spectrum of approaches was used, including visits, telephone contacts, mass mailings, press releases, seminars, workshops, and contacts with secondary sources.

Examples of Effort

Rather than explain every contact approach, some examples will be presented to typify the efforts and responses. Table 1 shows the various types of contacts made during the period.

Table 1

OUTREACH ACTIVITY SUMMARY

Direct Firm Contacts by:	No.	
Letter	4,691	
Telephone	1,006	
Visit	77	
Secondary Sources:		
Press Releases	139	
Trade Associations	9	
Banks	24	
Bank Associations	2	
Economic Development Representatives	6	
Economic Development Districts	30	
Chambers of Commerce	29	
Seminars	6	(208 attendees)
Other Secondary Sources	68	

A joint Department of Commerce-Department of Labor seminar was held in Atlanta on June 16, 1979. In preparation, 3,700 announcements were mailed to labor organizations (55% of the total mailing) and to banks, bank associations, chambers of commerce, and firms chosen from import-impacted industries as indicated by the SIC's (45% of the mailing). An additional 592 firms in Alabama, Georgia, and Tennessee were contacted by telephone and invited to attend. News releases which briefly described the program and the seminar were sent to every major daily newspaper in the Southeast. One hundred ten persons attended the seminar, with approximately 40% representing the private

sector. Although unable to send a representative, another 102 firms expressed interest in the program and requested additional information regarding available assistance.

In North Carolina, a series of four workshops were held throughout the state. In spite of the fact that total attendance was only 20 firms, three certification assistance requests have resulted from these workshops, and it is felt that additional requests will be forthcoming. The workshop held in Charlotte was filmed by two local television stations for use on their news broadcasts.

A trade adjustment seminar was also held in the Miami, Florida, area. Letters of invitation and program information were sent to 534 firms and to local development organizations. While 12 people attended, only two firms were represented and only one non-certified firm was in attendance.

In South Carolina, 719 firms were identified through SIC listings as potentially trade impacted. A mass mailout to these firms brought a positive response from 31 firms. Follow-up contacts with 13 firms resulted in four being apparently qualified and currently in the petitioning phase. Additional follow up with the remaining firms is planned.

In Tennessee, a combination of visits and phone calls to potentially impacted firms was used in the eastern part of the state, as well as press releases and contacts with banks and bank associations. Although the geographical area covered was small, nine certification petition cases have resulted, and three technical assistance cases are in progress.

Results to Date

The examples given illustrate the wide variety of approaches utilized by the Southeastern TAAC. To date, a total of 5,982 direct initial contacts have been made with import-impacted firms (including 208 attendees at seminars), and 399 positive responses (firms which have requested more information) have been received as a result of all outreach efforts. The TAAC's case load was developed from these contacts and responses.

The details of the various types of assistance that have been provided during the first year of the program are shown in Table 2. The relationship of outreach efforts and TAAC casework is reflected in Table 3. It should be noted that this relationship is expressed in terms of the percentage that the number of cases resulting from each type of outreach effort is of the total number of cases handled, without regard for the intensity of each type of effort. For example, 20.6% of the cases developed from contacts by letter, while only 17.5% of the cases developed from contacts by telephone. The interpretation of this result, however, must be modified by the fact that 4.6 times more letter contacts were made than phone contacts.

Table 2

CASE LOAD STATUS

	Presently in-Process	Completed
Inquiries	--	399
Petition Assistance	33	23
Initial Assistance	13	3
Implementation Assistance	3	1

Table 3

RELATIONSHIP OF OUTREACH EFFORTS AND TAAC CASEWORK

Outreach Effort	Number of Cases Resulting	Percentage
Direct TAAC contacts by:		
Phone	11	17.5
Letter	13	20.6
Visit	19	30.2
Seminar/Workshop	4	6.3
Banks	2	3.2
EDA Referral	6	9.5
Other Government Agency Referral	3	4.8
Other	5	7.9
Total	63	100.0

Conclusions

Several general conclusions can be drawn from the past year's experience regarding the effectiveness of the outreach techniques. These will form the basis for a continuation of the effort:

1. Mass mailings are relatively inexpensive but are not very effective as they often do not reach the appropriate people in an organization or do not provide sufficient information or provoke response.

2. Seminars are very time-consuming and relatively expensive to arrange. Moreover, response to the seminars has been poor.

3. Visits are perhaps the most fruitful means of contact, but they are also quite expensive and time-consuming.

4. Phone contacts are more effective than mail and less effective than visits.

5. Follow-up to positive responses, regardless of the method of contact used, is essential in order to generate interest in the program.

Some of the problems that have created barriers to active participation by impacted firms are the following:

1. Many firms feel that they have been adversely impacted by imports, but it cannot be projected whether or not they meet the certification criteria until the numbers are grouped by 12-month periods. Many can document 3- or 6-month downward trends, but these trends are not marked enough to affect the 12-month data.

2. Many firms are affectly only indirectly by imports, e.g., supplying component parts to import-impacted industries.

3. Firms become disinterested when they are informed of the paperwork and time required to obtain assistance, particularly when the need is for financial aid. Others are simply suspicious of the program because it is sponsored by the federal government.

In summary, it is not possible to satisfactorily assess the effectiveness of the past year's effort at the present time. This is primarily due to the fact that there has often been a significant time lag between the original contact and a firm's expression of interest. It has been learned, however, that the success of the various outreach techniques depends on such factors as geography, personnel, and the type of business in which a firm is engaged. The long-range effects of the past outreach program are largely unknown at this point, but the diverse experiences of the initial year dictate the following strategies for TAAC's refunding year effort:

1. Continue press releases to newspapers and trade publications;
2. Continue to expand the list of impacted firms as new SIC's become represented through certified firms, and contact these firms (by mail or phone) until the list is exhausted;
3. Conduct an extensive telephone follow-up program with firms that expressed interest during the original contact but did not actively pursue the program;
4. Conduct an extensive telephone and visitation program with banks, emphasizing loan participation and firm referrals;
5. Communicate with professional organizations whose members may have contacts with affected firms, e.g., American Institute of C.P.A.'s; and
6. Continue to evaluate outreach activities and adjust the program accordingly.

ASSISTANCE TO FIRMS

Assistance to firms is usually one of two major types: certification assistance or technical assistance. The first consists of helping a firm complete the petition with the appropriate statistical data and in a format that will accurately reflect its subsidiaries, divisions, products, etc. The second type, technical assistance, may directly help the firm solve its problems, or it may enable the firm to obtain other assistance which will provide the ultimate solutions. Examples of direct problem-solving assistance are market studies, production efficiency programs, product costing techniques, and business planning. Indirect assistance includes preparation of EDA loan applications, bidding and contracting with private consultants, and obtaining EDA approval for technical assistance expenditures.

Petition Assistance

Certification assistance can be divided into two categories, according to the level of assistance required. The first category is comprised of firms which are willing and able to fill out the petitions and require only a brief explanation to get started. These firms forward their petitions to the TAAC for review prior to submission to EDA. The majority of petitioning firms fall into this category. The second category includes firms which require additional advice and guidance, usually because of poor record keeping, inadequate accounting skills, or complexities involving several divisions or subsidiaries.

While many firms have claimed that they can and will fill out their petitions without assistance, it has been observed that some do procrastinate. Several petitioning cases that have been active for three or four months, for example, state that they still intend to file and do not need assistance. It is felt that more on-site involvement by the TAAC staff in petition completion assistance will help such firms avoid self inflicted delays.

Petitioning cases involving subsidiaries and divisions are often complicated not only by the complex nature of the certification guidelines, but also by the impact of selective subsidiary petitioning on eventual loan and technical assistance requests.

Overall, the Southeastern TAAC has provided effective petition assistance to firms on a timely basis mainly because of the network of participating EDA University Centers and the pool of professionals working for the Engineering Experiment Station. Table 4 illustrates the levels of activity in certification cases in which the TAAC has participated.

Table 4

ANALYSIS OF CERTIFICATION ASSISTANCE

Level of Assistance	No. of Firms	Man-days/ Case (est.)	Cost/Case (est.)
1. Petition explanation and review only	34	1.5	$ 340
2. On-site assistance and follow-up	22	4.0	1,080
Average		2.5	$ 636

The majority of the 56 firms receiving some form of certification assistance from the TAAC resulted from recent, improved outreach efforts; thus, they are currently in the preparatory stage. Table 5 indicates the status of certification efforts.

Table 5

CERTIFICATION ASSISTANCE CASE SUMMARY

Status	Number of Firms
Currently in progress	33
Certified	8
Accepted	7
Rejected	6 (3 have resubmitted or will resubmit)
Withdrawn	2
Total	56*

*26 of the total number of firms receiving some form of certification assistance are apparel firms.

As previously noted, the number of petitioning firms has increased dramatically in recent months. This upward trend is expected to continue throughout 1979 as the outreach program is continued. A leveling in the number of certification petitioning cases is projected for sometime in 1980.

Initial Assistance

Once its petition is accepted by the Certification Division, a firm usually requests initial assistance. The Southeastern TAAC has promptly provided this assistance as Table 6 demonstrates.

Table 6

PROGRESSION FROM CERTIFICATION TO INITIAL ASSISTANCE

Category	Total in Category	Receiving Initial Assistance	Number Completed	Assistance Scheduled (To Begin)
Certified w/ TAAC Assistance	8	7		
Accepted w/ TAAC Assistance	7	3		
Certified w/o TAAC Assistance	6	3	2	1
Petition Denied but Assistance Provided	1		1	
TOTAL	22	13	3	1

A review of experiences with initial assistance thus far reveals several significant trends. Although some initial assistance has been provided to address immediate problems, most has been directed toward the development of a broad business strategy which, taking into account the firm's capabilities, will enable it to become more competitive. The preparation of this strategy often requires one or more study investigations, which in many cases have disclosed the considerable financial difficulties of import-impacted firms. For this reason, additional monies are frequently necessary for the imple-

mentation of the business strategy, and 93% of the initial assistance cases to date have involved loan application assistance. Table 7 details this trend.

Table 7

TYPE OF INITIAL ASSISTANCE COMPLETED OR IN-PROGRESS

Type	No. of Firms	Loans Approved	Loans Applied for & Pending
Technical assist-ance only	2		
Loan application assistance only	0		
Technical and loan assistance	14	2	2

Initial assistance has been provided to a wide class-section of firms spanning ten industries with employment levels ranging from 20 to 1,036. Table 8 summarizes the characteristics of firms receiving initial assistance.

Table 8

CHARACTERISTICS OF FIRMS RECEIVING INITIAL ASSISTANCE

Industry	No. of Firms	Total Employment	Overall Degree of Impaction
Apparel	5	1,419	Severe
Handbags	3	772	Moderate
Furniture	1	225	Severe
Door Openers	1	56	Severe
C B Antennas	1	26	Severe
Tire Retread Equipment	1	25	Severe
Coal Mining	1	100	Severe
Iron Castings	1	20	None
Seafood Processing	1	350	Moderate
Steel Rebar	1	20	Moderate
Total	16	3,785	

This pattern of initial assistance yields the statistical summary outlined in Table 9 regarding the projected cost and duration of initial assistance.

Table 9

INITIAL ASSISTANCE COST AND DURATION

Projected Cost of Current Projects	Number of Firms
$ 0 - $ 5,000	4
5,001 - 10,000	4
10,001 - 15,000	6
15,001 - 20,000	1
20,001 - 25,000	1

Projected Age (As of August 31, 1979)	Number of Firms
0 - 3 months	9
3+ - 6 months	5
6+ - 9 months	2

While it is too early in the program to determine the eventual long-term effect of the initial assistance being provided, the brief case summaries which follow illustrate the various types of assistance aimed at stabilizing the firms short-term situation while enhancing their long-term viability.

1. A market study for a jeans manufacturer to direct them towards a new market (for them) and develop a strategy for the firm to penetrate this market. This study was subsequently incorporated into a recovery plan and financial assistance required for implementation was obtained.

2. A feasibility study of a seafood processor which examined all aspects of the firm's operation was conducted. These findings were developed into a recovery plan and a fixed asset, working capital financing package.

3. A complete diagnostic overview of a handbag firm's operations including sales, marketing, manufacturing, and finance was developed into a recovery strategy and financing proposal.

4. A market study and marketing plan for an automatic door opener firm was conducted. The study provides for steps and timing needed to implement and cost-benefit analysis.

5. A market study for a C. B. Antenna and accessory firm was conducted which pointed out a new market area consistent with the firm's capabilities and with good growth potential.

Because the provision of technical assistance, whether direct or indirect, is a very complex undertaking, it was necessary to formulate a procedure that the Southeastern TAAC could use to analyze the problems and needs of impacted firms rapidly and accurately. The procedure, known as the "diagnostic review," consists of an on-site visit lasting for one or two days, during which time one or more consultants investigate all aspects of the firm's operations. A thorough list covering the major areas of finance, marketing, and production was developed by staff members of the Southeastern TAAC and is used as a guide in the investigation. In many instances two consultants with different kinds of expertise make the visit. This assures a comprehensive analysis of the firm and enhances consultant development through cross-training and exposure to other areas of problem recognition. This procedure has proven useful not only in resolving problems acknowledged by the firm's management, but also in uncovering a variety of unrecognized problems.

After a review of the diagnostic findings with the firm's management, a planning session is held to define specific activities, to designate who is responsible for their accomplishment, and to set a timetable of estimated completion dates. This constitutes the casework plan and is tailored to the needs and capabilities of each firm. In this way, all parties to the case are made aware of the specifics involved.

While the diagnostic overview procedure has greatly facilitated problem diagnosis and recovery plan formulation, several issues have evolved regarding the actual delivery of assistance. These are the following:

1. Financial institutions would be more willing to participate in the guarantee program if there were a secondary market for loan papers similar to that for FHA loans.

2. Further clarification of chargeable expenses would be helpful. For instance, are the activities relating to the solicitation of consulting bids chargeable to a firm's account, or are they administrative charges?

3. The ceilings of $10,000 initial assistance before cost-sharing and $25,000 total government share of initial assistance are proving to be restrictive to in-depth assistance, primarily because of annual inflationary cost increases for consulting time and travel expense.

4. Consistent with the above, a higher sole-source ceiling, such as $10,000, would speed delivery of assistance to firms.

Two significant developments have been observed which must be considered in the formulation of recovery plans:

1. There are a considerable number of cases in the Miami, Florida, area, where the primary source of labor currently is the Cuban population. However, many second-generation Cubans are choosing to leave the region, and predictions of a shrinking labor pool are beginning to be realized. This is proving to be a major constraint to firms which have the potential to recover and expand or to re-establish operations.

2. Many retail buyers are exhibiting caution in their purchasing practices due to the possibility of a recession and other economic uncertainties. This has been especially evident in apparel market studies.

In spite of the issues, problems, and trends previously mentioned, effective initial technical assistance is being delivered, and the present increase in loan applications is expected to continue in the foreseeable future. Firms with accepted or certified petitions are consistently seeking

initial technical assistance. It is projected that this aid will be provided over a period lasting six or more months. The number of firms in the initial assistance, phase, therefore, is expected to continue rapidly over the next year of the program.

Implementation Assistance

The Center has been involved in three cases of implementation assistance during the grant period. A brief description of each case follows:

1. An umbrella manufacturer with a loan toward this goal consisted of the conceptual design of specialized equipment and placing a contract with a qualified firm for manufacture.

2. A clothing company had suffered a significant loss of market share due to its inability to competitively price its product. Assistance provided toward this goal consisted of a sewing engineering project performed by a private consulting firm and a market study performed by TAAC support staff which defined market targets and distribution channels appropriate for the company.

3. A fishing tackle manufacturer with a loan was implementing a recovery plan aimed at expanding sales volume. These efforts were being hindered by the lack of inventory records. TAAC staff designed an inventory information system for the firm.

Although little implementation assistance is currently underway, an examination of the present certification and initial assistance case load indicates significant increases in the demand for this type of assistance. The areas of assistance exemplified by aforementioned cases appear typical of the type of implementation assistance to be provided in the future. This is especially true regarding extensive reengineering of assembly plants. These requests will generally be forthcoming from firms in the labor-intensive needle trades such as apparel, handbags, and footwear which are predominant in the TAAC caseload. While this type of assistance is beneficial, it often introduces a level of operational sophistication into small and medium-sized firms which they find difficult to implement without TAAC or private consultant assistance. Therefore, this type of long-term improvement project will require a structured TAAC-related monitoring program.

OPERATION OF THE TAAC

Subcontracting with University Centers

In the initial proposals for the Southeastern Trade Adjustment Assistance Center, the philosophy was to establish a decentralized network among eight existing University Centers in seven of the eight states in the service region. The original concept involved the delegation of much of the responsibility and the channeling of appropriate funds to the participating University Centers, with Georgia Tech functioning as the lead or control center. This concept, however, was rejected in favor or a more centralized approach.

The revised, centralized approach necessitated renegotiation with the seven other University Centers to establish a system that would provide positive, centralized control and yet would allow sufficient flexibility to meet the requirements and objectives of the grant. A further consideration was the elimination of possible conflicts with other programs being conducted by all parties. This change in organizational philosophy resulted in some difficulties. One University Center chose not to participate in the program because of the requirements. All Centers had problems in adapting the concept to their existing programs, and a lengthy period of discussion about concepts, funding, and functions ensued.

A two-day training and coordination session (January 31 to February 1, 1979) was held with all University Centers to outline the program requirements regarding petitioning, cost sharing, maximum cost for various phases/types of assistance, and reporting. Additional on-the-job training was conducted to familiarize staff with petitioning preparations and other forms of technical assistance. Written instructions on these matters were updated and forwarded to the Centers as requirements were revised by EDA.

In August, 1979, the TAAC staff completed a review of the program, which included an analysis of the subcontracting relationships with the University Centers. This review not only considered assistance results, but also addressed problems with organization, reporting, communication, funding,

capabilities, and staffing. The general conclusion was that the University Centers could continue to be used to provide technical assistance to regional firms in an expeditious, proficient, and economical manner. The degree of use of each University Center, however, will depend greatly on the ability and time availability of the staff.

The review also indicated some changes that have to be made to improve the system/concept. First, plans for the second year of the program have had to be adjusted to take into account the success, needs, and capabilities of cases in each of the states. Second, it is hoped that the program has progressed to a stage where documentation and approvals will be processed with even greater timeliness. A major change that is required is that the $25,000 maximum on subcontracting with University Centers be raised substantially or eliminated, since this amount represents less than one-half of a man-day.

Size of Area

The Southeastern TAAC services eight states with a combined area in excess of 383,000 square miles and a population of approximately 32,000,000. In this area, which is over 1,000 miles in length and roughly 600 to 800 miles wide, there are an estimated 800 firms that are potential TAAC clients.

The roster of current active clients includes firms with facilities at both extremes of this geographical area, in northern Kentucky and in the Florida keys. With clients located throughout the service region and some located in small rural areas without scheduled public transportation, TAAC staff members spend substantial time commuting. In general, a half to a full day of travel is required to get to or from a client. This has not presented undue problems because of the participation of strategically located University Centers.

Staffing

The shift in the organizational concept that resulted in a centralized approach required a larger staff, not only to provide technical assistance, but to handle the increased administrative workload as well. The Southeastern TAAC has been developing a larger staff but is encountering difficulties in attracting a sufficient number of capable, experienced professionals. One major problem is that individuals who meet the experience and educational requirements are often in a salary range that exceeds that offered by the TAAC.

In light of the current high demand for financial assistance and an increased workload for staff with financial and marketing expertise, these issues will demand careful attention as the program develops.

Reporting

During the early phases of the program, the Center began devising a system to meet the requirements of the grant and to assure control over and coordination of the various components. This system provided a method of tracking costs, billing clients, selecting and authorizing University Centers and consulting firms to perform tasks, monitoring expenditures, and assembling reports for EDA. Files, logs, forms, a computer program, and other means of documentation also had to be developed in support of these processes. Development of the system was complicated by numerous revisions to the report format and the shifts in organizational concept.

Outlook

Expectations for the Southeastern TAAC's second year are optimistic since much of the groundwork with procedures is past and the existing staff is more aware of the needs of TAAC clients and EDA.

As stated in an earlier section of the report, the case load is expected to continue increasing until a leveling effect occurs, possible in mid-1980.

Much attention must still be given to developing the skill and professionalism of the TAAC staff to assure that the desired performance goals are met or exceeded.

APPENDIX 1

DIAGNOSTIC REVIEW CHECKLIST

DIAGNOSTIC REVIEW CHECKLIST

Note: The following is intended to serve as a guideline for the general sequence of steps in conducting a diagnostic review of a firm and to indicate the information needed to be gathered to facilitate an effective assessment of the major problems of the firm.

STEP I. Meet with firm's officer(s)

A. Give overview of TAAC program; if this has been done, determine if firm understands program and inform them accordingly. Explain cost sharing requirements.

B. Obtain a brief description of company structure (divisions, subsidiaries, etc.).

C. Obtain a brief description of organization (organizational chart may help).

1. Determine key people to talk to re: marketing, finance, production.

D. What are the firm's goals and objectives?

E. What is the firm's perception of problems and solutions?

F. Take a plant tour and be introduced to key people.

The next section deals with the information which should be extracted to obtain an accurate assessment of the firm's problems. The key people should be contacted regarding each area and their views on problems and needs of the firm should be noted. The following steps may be done in any sequence.

STEP II. Financial Assessment

A. What is the key financial executive's view of problems and needs of the firm?

B. Is there clear definition of responsibility and authority regarding this function?

C. Obtain certified financial statements and interim statements (if available). An analysis may be performed at this point or later, if desired. The analysis may consider:

1. Profit trends
2. Net worth position
3. % short term debt, long term debt and equity
4. Working capital available or needed
5. What collateral is available?
6. Are debts current?
7. What is asset/liquidity picture?
8. Do any income statement/balance sheet items appear out-of-line historically or industry-wide?
9. How does firm compare to D & B or RMA ratios for industry?
10. Are there a large amount of intangibles?
11. Are there any stockholder loans? If so, are they willing to convert to equity?
12. Is overhead at an excessive level? Where can it be reduced?

D. Cash Management

1. How is it managed (who, what reports and procedures are used)?
2. Can firm take advantage of trade discounts?
3. How are payables handled?
4. Who are firm's major lenders?

E. Receivables and Credit Procedures

1. Does the firm use a factor (who, what terms)?
2. Are there excessive bad debt losses?
3. What are terms to customers, how do they compare to industry practice?
4. How are receivables monitored (aging schedule)?

F. Do Budgets or Forecasts exist?

1. If so, how are they used?
2. Is variance analysis done and by whom?

G. What is track record?

H. Note financial problems and opportunities as they relate to possible recovery strategies.

STEP III. Marketing Assessment

A. What is the key marketing executive's view of problems and needs in this area?

B. Are marketing objectives established?

1. Sales volume goals
2. % market share goals
3. Defined market target
4. Defined strategy to reach market

C. What is the current market profile?

1. Sales volume (historically)
2. % market share
3. Market target
4. Market strategy

D. Product

1. Quality Level
2. % markdowns/returns
3. Own line or subcontractor
4. What is product's competitive advantage?
5. Number of products and/or styles?

E. What are pricing policies and procedures?

1. How does price compare with competition?
2. How is price determined, how does it relate to cost information including direct labor, overhead and material?

F. What are current and planned merchandising programs (advertising, promotional aid, etc.)?

G. Distribution Channels

1. What are current and planned distribution channels?
2. What is normal industry practice?
3. Sales
   a. Management and organization (territory structure)
   b. Compensation
   c. Expenses
   d. Evaluation methods

H. General

1. Is competition defined (domestic, foreign)?
2. How does the firm think it is perceived by its customers (low cost, high quality, dependable supplier, customer service)?
3. What customer service is performed?
4. Do forecasts and analysis procedures exist?
5. Is exporting feasable?
6. What coordination/planning interfaces exist between marketing and production planning?
7. Who is the ultimate consumer of the product and what are their characteristics?
8. Who are the firm's customers, e.g., department stores, chain stores?
9. Is the present market area local, regional, national, international?

I. What are the firm's opportunities in the market place as they relate to possible recovery strategy?

STEP IV. Manufacturing Assessment

A. Is responsibility for control of operations defined?

B. Is the firm a job shop operation or do they produce for inventory?

C. Plant

1. Does the layout appear efficient?

2. Is the equipment modern or outdated?

D. Planning and Scheduling

1. Is there interface with marketing?

2. Who and how (what criteria: costs, profitability, customer)?

3. What role do forecasts play?

4. How are raw material purchases scheduled?

E. How is inventory controlled?

F. Cost and Accounting Procedures

1. Does a standard cost system exist? If so,

a. who established it?

b. is it current?

c. who analyzes variances and control?

d. does it consider:

1) waste?

2) allocation of overhead?

3) composition of overhead?

4) rejects/seconds?

5) shipping and packaging?

6) downtime?

7) waiting time?

2. If no standard cost system exists, how are costs determined?

3. Who reviews cost data and what controls are exercised?

G. Personnel

1. How experienced
2. What training is done?
3. What is turnover rate?
4. Is absenteeism a problem?

H. Wage Systems

1. What is the pay basis (piece rate, etc.)?
2. What is the typical hourly wage of the employees?

I. Quality Control

1. What sampling is done (raw material and finished goods)?
2. What corrective action procedures exist?
3. Who analyzes results?

J. Would improved manufacturing efficiency and product planning make the firm competitive regarding price and quality?

Note: The consultant may wish to walk through manufacturing process flow and include in his walk-through an examination of how the paperwork flow functions including payments, collections, posting and inventory withdrawals and additions.

STEP V. Management

A. Is an experienced management team in place?

B. Do the key executives appear capable?

C. Is the organizational structure sound?

1. Defined responsibilities
2. Adequate span of control

D. Does a formal business plan exist which is being followed at present? If so,

1. does the plan have specified objectives and activities to reach these objectives?
2. what is the period covered by the plan?
3. How or when is the plan revised?
4. is all top management committed to these goals?
5. what beliefs, convictions or assumptions is the plan based on? Are these realistic?

E. What steps is management willing to take to reduce costs or increase equity in the company (officer salary reduction, increased officer contributions to equity, etc.)?

F. Is the firm willing to make drastic changes in direction if necessary?

STEP VI. Facilities

A. How many facilities exist? Note use and size (office space, warehouse, production area).

B. What is the cost of these facilities (individual costs by facility, if available)?

C. What opportunities exist to reduce these costs (consolidation, etc.)?

STEP VII. Recovery Strategies

A. What alternate recovery strategies are feasible?

B. Which recovery strategy appears most appropriate?

C. What is needed to implement this recovery strategy?

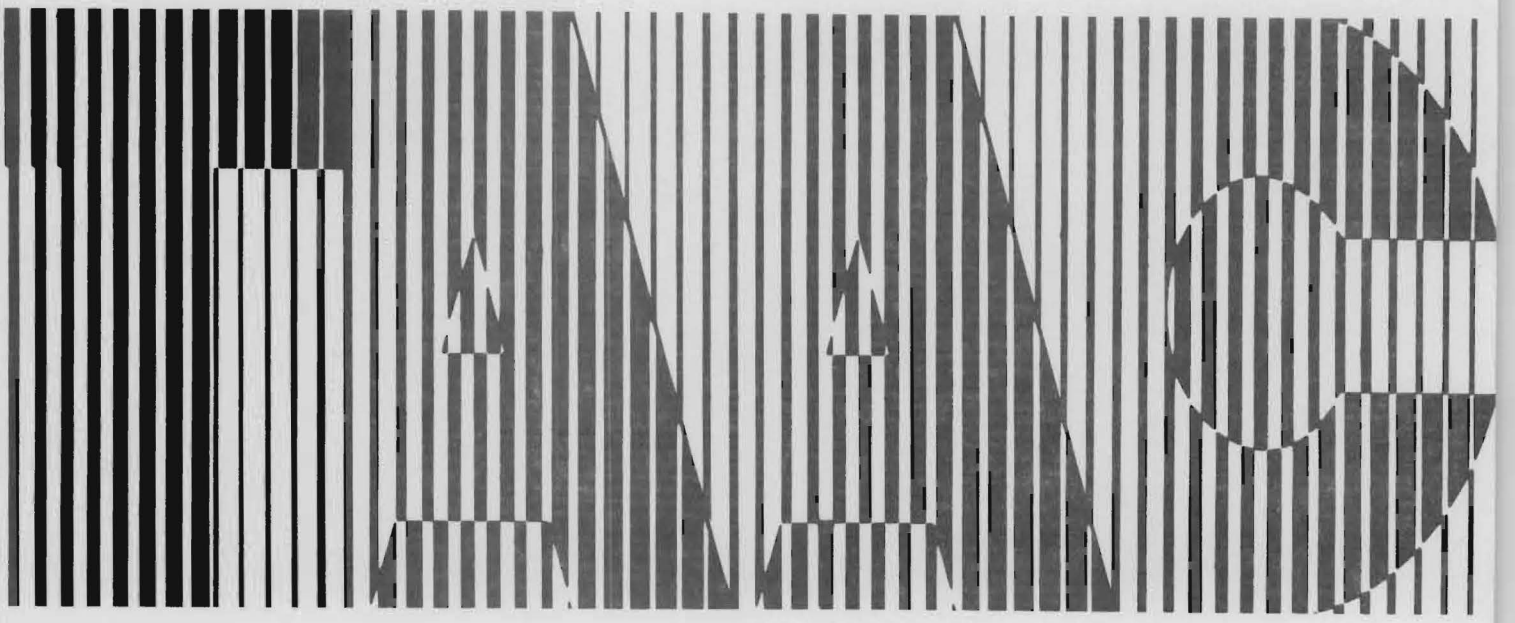
TECHNICAL ASSISTANCE PROJECT

TAP

ECONOMIC DEVELOPMENT ADMINISTRATION • U.S. DEPARTMENT OF COMMERCE

ANNUAL REPORT

September 15, 1979-June 30, 1980
Grant Number 99-26-07061-10



SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

Georgia Institute of Technology
Engineering Experiment Station
Economic Development Laboratory
Atlanta, Georgia 30332

A Program of the Economic Development Administration

Grant 99-26-09882-10,
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SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER (TAAC)

ANNUAL REPORT
September 15, 1979 - June 30, 1980

This technical assistance project was accomplished under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and/or its consultants and do not necessarily reflect the views of the Economic Development Administration.

Southeastern Trade Adjustment Assistance Center
Economic Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia 30332

February 1981

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APPENDIX

INTRODUCTION

The Southeastern Trade Adjustment Assistance Center (TAAC) was created on September 15, 1978, by a grant from the United States Department of Commerce, Economic Development Administration, for the express purpose of providing assistance, primarily as authorized by the Trade Act of 1974, to eligible and potentially eligible trade impacted firms. The TAAC's service region defined by its grant includes the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

The Southeastern TAAC was established as an operating branch of the Business Development Division, the Economic Development Laboratory, Engineering Experiment Station of the Georgia Institute of Technology (Georgia Tech). Contractural relationships were created, and continue to exist, between Georgia Tech and six other EDA University Centers in the region to assist in meeting the mission of the Southeastern TAAC.

The basic mission of the TAAC is threefold:

OUTREACH — To disseminate information about the Trade Adjustment Assistance (TAA) program and the Southeastern TAAC by identifying and contacting firms within its service area which have been impacted by increasing, direct competition with foreign imports;

CERTIFICATION — To assist trade impacted firms in understanding the TAA program and in obtaining EDA certification of eligibility for receipt of TAA program benefits, and

TECHNICAL ASSISTANCE — To provide goal oriented technical assistance for the purpose of reestablishing client firms as stable, economically viable business entities.

Primary program activities during the initial grant period concentrated on the first two phases of the Southeastern TAAC's mission and activities necessary for the establishment of the Center. The major tasks included the development of the program's administrative/organizational structure and work plan, initial staff recruitment and training, and the development of an outreach network through the existing EDA University Centers within the Southeastern region. A major outreach and certification thrust was completed by the TAAC and the university center network, comprised of centers

located at Florida State University, Auburn University, Mississippi Research and Development Center, the University of Tennessee--Knoxville, the University of Kentucky, and Western Carolina University.

Refunded by the Economic Development Administration on September 15, 1979, for a period of nine and a half months, the Southeastern TAAC continued assistance to clients identified through outreach and certified during the initial funding period as well as creating and servicing demand from potenally eligible impacted firms. This report discusses the activities and related accomplishments, problems, and program development of the Southeastern Trade Adjustment Assistance Center's second period of funding. Additionally, the report addresses the Center's preparation for its future program delivery.

SUMMARY AND EVALUATIONS
OF SOUTHEASTERN TAAC ACTIVITIES
SEPTEMBER 15, 1979 - JUNE 30, 1980

The summary of Southeastern TAAC activities provides a brief recap of the historical nature of, and need for, services and how the current pattern of organization and operation of the Southeastern TAAC developed. An analysis and evaluation of activities, a summary of outreach efforts, and statements of problems and successes encountered by the Southeastern TAAC in the second period of funding also are included.

Recap of Need for Services

Initially, the TAAC estimated that some 800 firms within the region were potential TAAC clients, based upon available U.S. Department of Commerce data. The dynamic nature of the world economy, the value of the dollar, technological innovation, tariff barriers, and other pertinent factors dictate a periodic reevaluation of the Southeastern region's "universe" of certifiable firms. During the second period of funding, the Southeastern TAAC has revised the estimate of potential TAAC clients to approximately 1,400 firms; Appendix I contains the detailed explanation of this estimation. Exhibits I and II summarize the derived universe by industry groupings and states within the region. Additionally, these exhibits denote industry and state locations of existing in-process cases as of June 30, 1980.

Organization/Operation Development

The Southeastern TAAC services 8 states, with an aggregate area in excess of 383,000 square miles, and a population of approximately 32 million. The area is over 1,000 miles in length and roughly 600 to 800 miles in width.

EXHIBIT I

PERCENTAGE COMPARISON BY MAJOR SIC GROUP --
UNIVERSE OF POTENTIALLY TRADE IMPACTED AND FIRMS
IN-PROCESS SETAAC CASES AS OF JUNE 1980

	"Universe"*	% Of Total Universe	SE TAAC Cases	% Of Total Cases
Agricultural, Forestry & Fishing: 0000 - 0999	2,010	14.5%	3	4.6%
Mining: 1000 - 1999	1,496	10.8	2	3.1
Manufacturing - Food: 2000 - 2099	565	4.1	2	3.1
Manufacturing - Textile Mill Products: 2200 - 2299	1,476	10.6	5	7.7
Manufacturing - Apparel and other soft goods: 2300 - 2399	2,672	19.3	25	38.5
Manufacturing - Lumber and Wood Products: 2400 - 2499	2,132	15.4	2	3.1
Manufacturing - Furniture: 2500 - 2599	280	2.0	1	1.5
Manufacturing - Paper & Allied Products: 2600 - 2699	48	0.3	0	0
Manufacturing - Printing: 2700 - 2799	26	0.2	0	0
Manufacturing - Chemicals & Allied Products: 2800 - 2899	174	1.3	0	0
Manufacturing - Rubber & Plastic Products: 3000 - 3099	84	0.6	2	3.1

*Aggregate number of Southeastern (SETAAC trade area) firms within SIC classifications which are potentially trade impacted.

Exhibit I, Continued.

	"Universe"*	% Of Total Universe	SE TAAC Cases	% Of Total Cases
Manufacturing - Leather Products: 3100 - 3199	252	1.8	8	12.3
Manufacturing - Stone, Shell, Glass, & Concrete Products: 3200 - 3299	108	0.8	0	0
Manufacturing, Primary Metal Industries: 3300 - 3399	306	2.2	3	4.6
Manufacturing - Fabricated Metal Products: 3400 - 3499	951	6.9	4	6.2
Manufacturing - Machinery: 3500 - 3599	493	3.6	2	3.1
Manufacturing - Electrical & Electronics: 3600 - 3699	140	10.1	2	3.1
Manufacturing - Transportation Equipment: 3700 - 3799	22	0.2	0	0
Manufacturing - Instruments & Optical Products: 3800 - 3899	143	1.0	2	3.1
Manufacturing - Miscellaneous Industries: 3900 - 3999	491	3.5	3	4.6
	13,861		65	

EXHIBIT II
PERCENTAGE COMPARISON BY STATE --
UNIVERSE OF POTENTIALLY TRADE IMPACTED FIRMS
AND IN-PROCESS CASES AS OF JUNE 1980

State	"Universe"*	% Of Total Universe	SE TAAC Cases	% Of Total Cases
Alabama	1,397	10.1%	6	9.2%
Florida	2,450	17.7	12	18.5
Georgia	1,644	11.9	13	20.0
Kentucky	1,801	13.0	7	10.8
Mississipi	875	6.3	-	-
North Carolina	2,774	20.0	11	16.9
South Carolina	1,147	8.3	5	7.7
Tennessee	1,781	12.8	11	16.9
TOTALS	13,869		65	

*Aggregate numbers of Southeastern firms which are potentially trade impacted, located within the SETAAC trade area.

Several factors have contributed to the evolving organization and methods of operation:

-- Expansion of staff constrained by the program's funding growth rate and the identification of professionals whose talents will contribute to the provision of quality technical assistance;

-- The natural evolution of program emphasis from one phase to another of the TAAC's threefold mission; and

-- Availability of resources (such as university centers and private consultants) outside the TAAC's parent institution (Georgia Tech) to assist in achieving phases of the TAAC's mission and operation.

These factors have contributed to a gradual and deliberate build up of TAAC staff over the first two program periods. The TAAC successfully utilized the services of EDA University Centers dispursed geographically over the region to provide quick program start-up, and, additionally, contracted with private-sector consultant organizations and university centers to provide technical assistance during the process of expanding internal staff. Initial organizational structures were designed to provide appropriate coordination of program efforts with university centers and outside consultants while program management concentrated on proper staffing. Now that the process of obtaining the permanent staffing level is largely completed, the TAAC will be able to handle more work internally. The goal of the current organizational structure is operation and management of the largest portion of its activities with its internal staff, while utilizing outside resources to supplement the TAAC staff when consideration for geographics, timeliness, specialized expertise, or workload capacity is necessary. The specifics of the TAAC's current organizational structure is discussed in more detail later in this report.

Evaluation and Analysis of TAAC Activities

Outreach Efforts. Exhibit III describes the TAAC and university center contacts made within the current funding period. The exhibit demonstrates the results of a variety of outreach techniques which have been tested by both the TAAC and its subcontractors. A summary comparison of direct outreach contact statistics between the TAAC's first year and its second period of operation partially reveals a shift in outreach techniques as follows:

INITIAL DIRECT FIRM CONTACTS

Method	FY 1978 - 1979	FY 1979 - 1980
Letter	4,691	2,046
Telephone	1,006	1,001
Visit	77	208
Total	5,982	3,255

As these statistics indicate, mass mailing outreach techniques were heavily utilized during the first year and into the second period of operation. The generally acknowledged results of mass mailing techniques is low per contact cost, but also a low response to contact ratio. This is reflected in a ratio of total initial direct contacts to inquiries by firms seeking information which was 11.3% for FY 1978 - 1979. Recently, as new techniques have been developed in outreach, the inquiry to contact ratio has vastly improved (156/49) to 31.4%. These new techniques currently being utilized are discussed in detail in the section of this report entitled "Successes Encountered" on page 22.

Certification. Exhibits IV and V display statistics on caseload activities -- including new cases of assistance per stage, cases in-process per stage, and cases completed per stage for FY 1980. Monthly certification activity demonstrates sporadic movements in new cases (0 to 10) and in in-process cases (19 to 38). Such sporadic activity is caused by:

-- The TAAC's conscious coordination of outreach and certification efforts with technical assistance caseload capacity;

-- The variance in time required for a firm to pass through the certification petition assistance stage which is largely affected by the client and its ability to respond to the requirements necessary for completion of its certification petition; and

EXHIBIT III

Outreach Contacts, Direct and Secondary
Southeastern Region

September 15, 1979 - June 30, 1980

	Alabama	Florida	Georgia	Kentucky	Mississippi	North Carolina	South Carolina	Tennessee	Total
Direct Firm Contacts By:									
Letter	65	264		200	934	127		456	2,046
Telephone	131	333	92	332	32	10	46	44	1,020
Visit			2	160	28	5		16	211
Total Direct	196	597	94	692	994	142	46	516	3,277
Secondary Sources:									
Press Releases						1			1
Trade Associations	2	8				2	1	3	16
Banks	7	108		289	184			10	598
Bank Associations	1						1		2
Economic Development Representatives							1	1	2
Economic Development Districts							10	5	15
Chambers of Commerce		1		2		112		112	127
Seminar Participation						31		22	53
Other Secondary Sources				4		2,625	12	16	2,657
Total Secondary	10	117	0	295	184	2,771	25	69	3,471
TOTAL	206	714	94	987	1,178	2,913	71	585	6,748

Certification and Technical Assistance
Caseload by Month
October 1979 - June 1980

SOUTHEASTERN TAAC

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Totals
Certification										
New Cases *	5	9	2	--	10	3	6	9	2	46
In-Process	20	29	24	19	23	22	26	38	33	--
Completed	4	3	4	4	5	3	1	5	--	29
Initial Assistance										
New Cases *	8	4	3	5	2	1	2	2	2	29
In-Process	18	20	23	28	29	28	31	34	35	--
Completed	1	--	--	--	4	--	--	1	7	13
Implementation Assistance										
New Cases *	1	--	--	2	2	--	--	--	--	5
In-Process	3	3	3	5	7	7	7	6	6	--
Completed	--	--	--	--	--	--	1	--	--	1
Initial Assistance With Loan										
New Cases	8	4	3	5	2	1	2	2	2	29
In-Process	17	19	22	27	25	28	29	28	29	--
Completed	1	--	--	--	1	--	--	--	6	8
Initial Assistance Without Loan										
New Cases	--	--	--	--	--**	--	--	--**	--	--
In-Process	1	1	1	1	4	--	2	5	6	--
Completed	--	--	--	--	3	--	--	1	1	5

* Includes cases completed during month.

** Transfer of cases from Initial Assistance With Loan to Initial Assistance Without Loan.

EXHIBIT V

Firm Activity Summary
October 1979 - June 1980

SOUTHEASTERN TAAC

CERTIFICATION ASSISTANCE		Number of Cases
1. Assistance completed - firms certified		29
2. Assistance in process		
a) Client has petition, has not begun	1	
b) Client has petition, has partially completed	20	
c) Petition accepted as of 6/30/80, awaiting TACD action	8	
d) Rejected	4	
Total in process		33
TOTAL number of firms receiving certification assistance		62

INITIAL ASSISTANCE	
1. Completed - with loan application submitted	5
2. Completed - without loan application assistance	5
3. Completed - assigned to inactive status	3
4. In process as of 6/30/80	28
TOTAL initial assistance cases	41

IMPLEMENTATION ASSISTANCE	
1. Completed	1
2. In process	6
TOTAL implementation assistance cases	7

-- The need to correct petitions of certain clients before submitting the petitions to the Trade Act Certification Division, EDA.

Certification Petition Assistance activity trends project a continuance and intensification of sporadic movements. This trend results from a leveling off of the TAAC's maximum caseload capacity as full staffing has largely been accomplished. Exhibit V reflects the status of in-process certification petition assistance cases as of June 30, 1980.

Technical Assistance. Exhibit IV reports the monthly activity of two phases of Technical Assistance -- Initial Assistance and Implementation Assistance.

An analysis of actual and/or budgeted technical assistance costs is shown in Table 1 on the following page.

Initial Assistance

The monthly caseload in-process initial assistance has increased 94.4% over the second funding period. The growth has largely been steady and reflects the evolution of first year outreach and certification petition assistance. The lack of available EDA/TAA financial assistance for six months during FY 1979 - 80 has affected the Initial Assistance caseload in two ways:

-- An increase in the number of static cases; and

-- A shift of certain cases from "Initial Assistance with Loan Application Assistance" to "Initial Assistance without Loan Application Assistance."

If the difficulties of maintaining a constant supply of EDA financial assistance are overcome, it is anticipated that the in-process caseload should stabilize at a 36-45 cases per month, depending on complexity.

Implementation Assistance

As demonstrated in Exhibit IV, Implementation Assistance has increased 100% over the second funding period. The speed at which an active case reaches the implementation assistance stage has been less than anticipated; this results from the unavailability of direct loans and the high interest rates on guaranteed loans. Since the majority of TAAC clients are seeking financial assistance (as high as 100% in a given month), the delay in financial assistance prevents the orderly passage from Initial to Implemen-

TABLE 1

COST ANALYSIS BY PHASE OF TECHNICAL ASSISTANCE
June 30, 1980

Phase of Technical Assistance T.A.	Activity -in-Process 6/30/80 No. of Firms	Total Est. $ Value of T.A.	Average Est. $ Value of T.A.	Completed Activity 10/1/79 to 6/30/80 No. of Firms	Total $ Value of T.A.	Average $ Value of T.A.
Initial Assistance:						
Including Help with EDA Loan Application	29	N/A	N/A	8	N/A	N/A
Other (No Help with EDA Loan Application)	6	N/A	N/A	5	N/A	N/A
Total Initial Assistance	35	411,820	11,766	13	107,784	8,291
Implementation Assistance	6	483,999	80,667	1	124,312	124,312

*"Estimated $ Value of T.A." includes actual costs to date and remaining budgeted costs necessary to complete the phase of technical assistance.

EXHIBIT VI

Loan Activity
9/15/79 to 6/30/80

SOUTHEASTERN TAAC

Loans Approved

Firm Case Number	Product	Amount	Approved
2003	Seafood	$1,500,000	9/79
2004	Children's Wear	942,000	10/79
3073	Furniture	800,000	11/79
2005	Handbags	1,000,000	12/79
5028	Fabric Finishing	2,850,000	5/80

Loan Applications in Process

Number of Firms	Amount
6	$4,700,000

EXHIBIT VII

Case Distribution by Major SIC Groups
Year-End Comparison

SOUTHEASTERN TAAC

	As of 9/79		As of 6/80		
	Cases	% of Total	Cases	% of Total	Difference
Agricultural 0000-0999	2	4.1%	3	4.6%	+0.5
Mining 1000-1999	1	2.0	2	3.1	+1.1
Manufacturing - Food 2000-2099	1	2.0	2	3.1	+1.1
Manufacturing - Textiles 2200-2299	2	4.1	5	7.7	+3.6
Manufacturing - Apparel 2300-2399	20	40.8	25	38.5	-2.3
Manufacturing - Lumber 2400-2499	1	2.0	2	3.1	+1.1
Manufacturing - Furniture 2500-2599	1	2.0	1	1.5	-0.5
Manufacturing - Paper Goods 2600-2699	0	0	0	0	0
Manufacturing - Printing 2700-2799	0	0	0	0	0
Manufacturing - Chemicals 2800-2899	0	0	0	0	0
Manufacturing - Rubber & Plastic Products 3000-3099	0	0	2	3.1	+3.1
Manufacturing - Leather 3100-3199	7	14.3	8	12.3	-2.0
Manufacturing - Stone, Glass, Concrete 3200-3299	0	0	0	0	0
Manufacturing - Primary Metals 3300-3399	1	2.0	3	4.6	+2.6

Exhibit VII continued

	As of 9/79		As of 6/80		
	Cases	% of Total	Cases	% of Total	Difference
Manufacturing - Fabricated Metals 3400-3499	2	4.1	4	6.2	+2.1
Manufacturing - Machinery 3500-3599	1	2.0	2	3.1	+1.1
Manufacturing - Electrical 3600-3699	3	6.1	2	3.1	-3.0
Manufacturing - Transportation Equipment 3700-3799	0	0	0	0	0
Manufacturing - Instruments & Optics 3800-3899	0	0	2	3.1	+3.1
Manufacturing - Miscellaneous 3900-3999	7	14.3	3	4.6	-9.7
TOTALS	49		65		

tation Assistance. Exhibit VI displays the loans approved by EDA for TAAC cases in FY 1979 - 80. The results of lack of available loan funds explains the six-month period of no loan activity between December and May. Until that time, the TAAC's client base received one loan approval per month and anticipated in excess of two a month by the end of the reporting period. If the availability of funds is maintained in FY 1980 - 81, the TAAC expects to average in excess of two implementation cases completed per month.

General Observations

Industry Participation. Exhibit I (see page 4) provides an industry breakdown of Southeastern TAAC's derived "universe" and in-process cases. Exhibit VII provides a comparison of cases in-process per industry at the beginning and end of the second program period. The apparel industry represents 19.3% of the most recently derived "universe" and 40.8% and 38.5% of the beginning and ending in-process cases respectively. Additionally, the leather products industry represents 1.8% of the "universe" and 14.3% and 12.3% of the beginning and ending in-process cases respectively. The remaining percentage of in-process cases has been spread among 13 major SIC industry groups. The disproportionate attention received by these industries can be explained as follows:

-- Nationally, the apparel and leather related goods trade associations actively promoted the creation of the Trade Adjustment Assistance Program and the dissemination of information concerning the availability of the program;

-- These industry groups were identified as being eligible for TAA benefits much earlier than other industry groups; and

-- These industries have a large percentage of small and medium sized firms which generally find the TAA program and benefits more meaningful than those industry groups dominated by larger firms.

As the TAA program recognition is increased in other industry groups, Southeastern TAAC expects the disparity of industry representation in active cases will diminish. The TAAC's outreach efforts have concentrated and will continue to concentrate on broadening the base of industries represented by the active caseload.

State Participation. Exhibit II (see page 6) provides a state breakdown of the Southeastern TAAC's derived "universe" and in-process cases. The percentage of active cases per state has largely been affected by the following:

-- The successful efforts by individual members of the university center network; and

-- The efforts of the TAAC to increase participation in states where university center performance has been below average.

Throughout the program year, the TACC has made concerted outreach efforts in conjunction with certain university centers to increase targeted state participation (see Exhibit III); efforts will continue in FY 1981.

Employment Size of Client Firms. A high percentage of the TAAC's clients receiving assistance in the initial program year employed a small number of workers. Exhibit VII reflects a trend towards larger firms requesting and receiving assistance. The Center expects a continuation of this trend as larger firms become more cognizant of the quality and magnitude of benefits available through the TAA program.

Status of Clients Whose Assistance Started in FY 1979 - 80. Exhibit IX provides statistical information on cases whose receipt of assistance began on or after September 15, 1979.

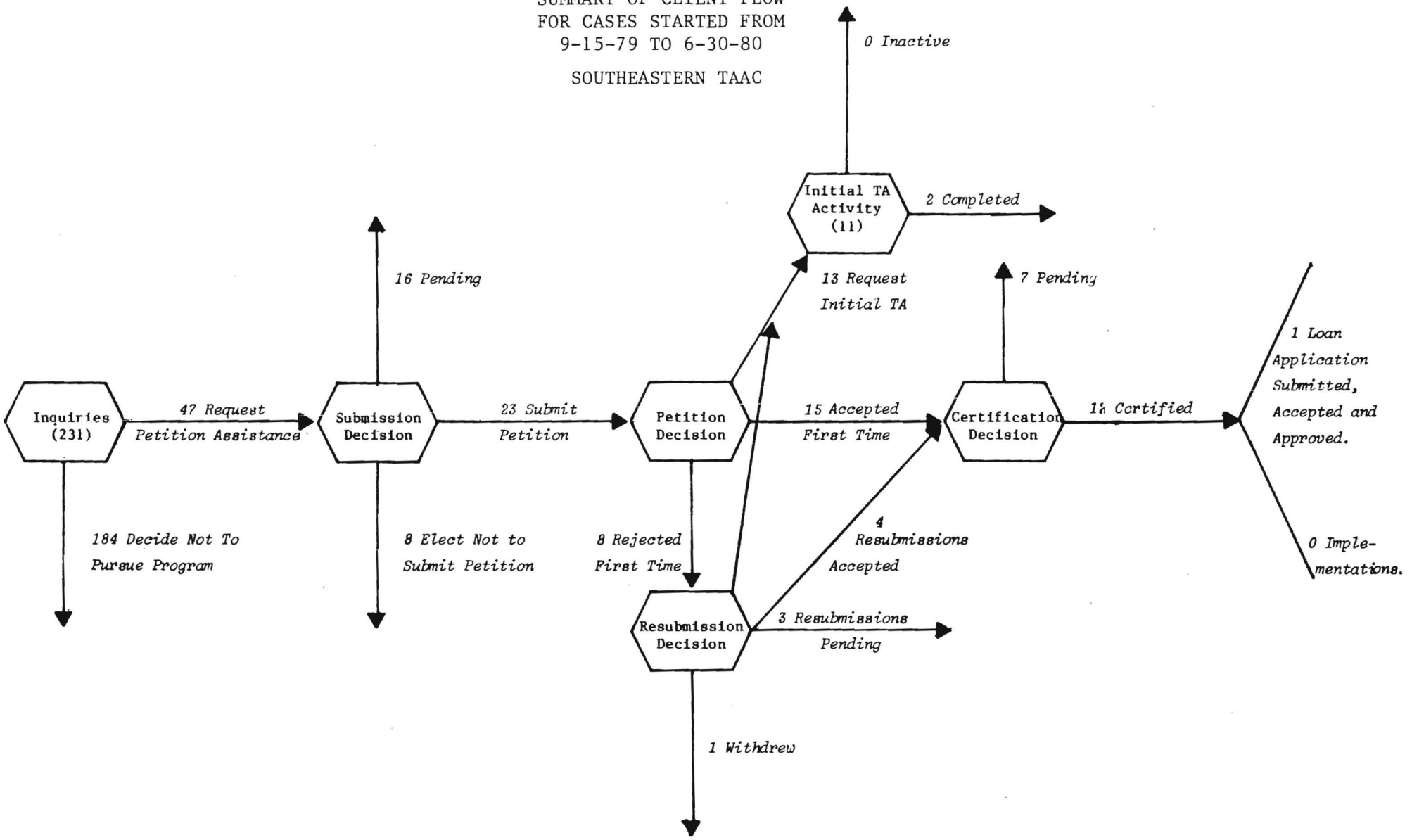
EXHIBIT VIII

Percentage Comparison of the Employment Size of Client Firms Whose Assistance Began in First Program Year VS. Firms Whose Assistance Began in Second Program Period

Number of Employees	% of Firms FY 1978-79	FY 1980-81
1-19	17.1	10.6
20-49	17.1	17.0
50-99	17.1	19.1
100-249	22.4	34.1
250-499	14.5	12.8
500-999	5.2	2.1
1000+	6.7	4.3
TOTALS	100.0	100.0

SUMMARY OF CLIENT FLOW
FOR CASES STARTED FROM
9-15-79 TO 6-30-80

SOUTHEASTERN TAAC



Problems Encountered

Internal. The primary source of internal difficulties has been the effective staffing of available positions within the Southeastern TAAC. The identification of suitable candidates has continued to require considerable management time and effort. Within the current grant period, seven professionals and one secretary have been employed by the TAAC. The federal and state (Georgia) employment procedures for advertising, screening, interviewing, selecting, and receiving authorization to employ have required significant dedication of management time. Training and orientation of new staff members has involved the experienced staff members and affected the amount of time available to caseloads. Additional training of selected university center subcontract personnel to assist in technical assistance has increased the time devoted by experienced professionals to the training of an effective work force.

In turn, these staffing and training efforts have been successful; therefore, technical assistance, in the future, can be more effectively handled by internal staff.

With the shift of major program efforts from outreach and certification to technical assistance, it has become apparent certain relationships with some university centers may not be escalated to include technical assistance subcontracting. The reasons are as varied as the centers themselves. Primarily, the reasons include university center regulations and policies as well as a deficiency of certain key disciplines necessary for well-rounded diagnostic teams.

External. Throughout the life of the TAAC, a substantial portion of requests for technical assistance have included loan application assistance. With the current year, no less than 86% of the active Phase I (Initial Assistance) cases have been seeking financial assistance. First, the escalation of interest rates and, later, the lack of EDA direct loan funds have caused TAAC clients to slow down or place on hold the technical assistance requested. The TAAC has shifted emphasis from loans to technical assistance and has encouraged clients to remain active in anticipation of new EDA direct loan funds and guarantees at the beginning of the new federal fiscal year.

The results of high interest rates and lack of financial assistance have tangentially created a staff imbalance and potential cost-sharing collections problems. Major emphasis was placed in locating and recruiting staff members with strong financial backgrounds. With current trends away from financial assistance, a temporary imbalance between the aggregate ability of the staff and needs of current clients has resulted. Collections of cost-sharing funds can be anticipated to slow as clients who have been seeking financial assistance cannot or will not pay for assistance which was originally expected to result in financial assistance.

TAAC strategic planning for such future shifts in availability of financial assistance and the resultant shifts in caseload requirements would be more effective if the EDA kept the TAAC's appraised of direct loan and guaranteed funds availability levels. The lack of adequate warning places the TAAC staff in an awkward position with consultants and clients. On a long term basis, lack of information on the availability of financial assistance will damage the reputation of the Trade Adjustment Assistance program and TAAC assistance.

Successes Encountered

Associated Research Analysis Corporation's "First Year Assessment of the Trade Adjustment Assistance Centers" report emphasized the need for outreach techniques which effectively provide sufficient caseloads for technical assistance staffs, while minimizing cost of outreach. This recommendation has evolved from the maturing of the TAAC program and the natural shift of emphasis to Initial and Implementation assistance. The Southeastern TAAC is currently testing an outreach concept which to date has effectively minimized the cost/benefit characteristics desired.

The concept utilizes a contact technique as a method of screening potentially eligible firms. A list of firms is generated from high potential SIC classifications, and a highly structured telephone routine is conducted which solicits information critical to eligibility. Results are screened by members of the TAAC's professional staff, and those firms which appear to have a high probability of eligibility are contacted by TAAC professional staff members. During the second contact, the assigned staff member verifies the critical elements of eligibility, explains the benefits of the TAAC program,

and solicits the firm's involvement in TAA. If the solicited firm appears eligible and is interested in a follow-up site visit, the TAAC may assign one of its staff members or a university center staff member to complete the outreach effort and any required certification petition assistance. The technique has resulted in a 45% serious inquiry to contact ratio, almost 4 times more effective than mass mailing results of FY 1978 - 79.

The cost per inquiry represents a 58% decline in the Southeastern region's outreach costs per inquiry which were reported in the Associated Research Analysis Corporation's report. The results of this method will continue to be monitored to determine the cost of outreach to firms which are certified as a result of the telephone contact method.

Another success encountered by the TAAC is a high percentage of clients in Phase II (Implementation Assistance) have incorporated provisions for implementation monitoring within their approved adjustment plans.

FUTURE PROGRAM DEVELOPMENT

The management of the Southeastern TAAC has identified several key adjustments in program strategies and organization which will impact future program development. These adjustments are primarily based on the Center's projected demand for outreach and technical assistance and level of funding for the FY 1980 - 81 program year.

Projected Demand for Assistance

The basic approach to initial and implementation technical assistance for the coming year will be as follows:

-- Priority will be given to using in-house staff to perform diagnostic analysis, recovery plan preparation, and loan application preparation.

-- Outside consultants will be used to perform diagnostic analysis and recovery plan preparation as a supplement to the existing staff from a workload and/or an expertise standpoint.

-- Implementation assistance will be provided largely by outside consultants, mainly because initial assistance will have priority for in-house TAAC staff.

-- Plan implementation monitoring will also be a major priority for the in-house TAAC staff or for University Center staff where qualified personnel are available.

Based on the number of existing certification cases in process and the response to recent outreach efforts, it is anticipated that there will be approximately 36 to 45 initial assistance starts next year (Exhibit X).

Additionally, it is forecasted that 10 to 15 existing initial assistance cases will request and progress to the implementation assistance phase. Furthermore, 10 to 15 of the new starts occurring in the first 6 months will request and receive implementation assistance yielding an estimated total of about 20-25 implementation efforts next year.

Estimated cost calculations for the coming year's technical assistance projections are located in Exhibit X. The total cost for all provided technical assistance is estimated to range from $763,000 to $1,028,500. Average costs of Initial Assistance are estimated to range from approximately $8,950 to $10,050 while Implementation Assistance average costs are projected to range from approximately $22,000 to $23,000.

EXHIBIT X
TECHNICAL ASSISTANCE PROJECTION THIRD PROGRAM YEAR

EXPECTED INITIAL ASSISTANCE STARTS FOR 1980 - 81	
From Existing Petitioning Firms	19
From New Cases Generated in 1980 - 81	17 - 26
Total Starts	36 - 45
EXPECTED IMPLEMENTATION ASSISTANCE STARTS FOR 1980 - 81	
From Existing Initial Assistance In Process	12
From New Initial Assistance Starts in 1980 - 81	8 - 13
Total Starts	20 - 25

PROJECTED COSTS OF EXPECTED TECHNICAL ASSISTANCE STARTS FOR 1980-81

TAAC Staff Workload 1980-81*	
32 Initial Assistance cases @ $8,250 (29 person-days) each	$264,000
5 Implementation Assistance cases @ $7,200 (25 person-days) each	36,000
Projected staff and support costs -- Technical Assistance	$300,000

Outside Consultant Workload 1980-81**	Minimum	Maximum
4-13 Initial Assistance Cases @ $14,500 each	$ 58,000	$188,500
15-20 Implementation Assistance Cases @ $27,000 each	405,000	540,000
Range of Projected Consulting Costs -- Technical Assistance	$463,000	$728,500

AVERAGE EXPECTED COSTS OF EXPECTED TECHNICAL ASSISTANCE STARTS FOR 1980-81

	Range Minimum	Range Maximum
Initial Assistance 1980-81		
TAAC Staff Cases - 32	$264,000	$264,000
Consulting Cases - 4 to 13	58,000	188,500
Total Cost for Cases - 36 to 45	$322,000	$452,500
Average Cost per Initial Assistance Case	$ 8,944	$ 10,056

Exhibit X continued

Implementation Assistance 1980-81		
TAAC Staff Cases - 5	$ 36,000	$ 36,000
Consulting Cases - 15 to 20	405,000	540,000
Total Cost for Cases - 20 to 25	$441,000	$576,000
Average Cost per Technical Assistance Case	$ 22,050	$ 23,040

*Estimated Case Capacity of TAAC Staff.

**Consultant source will be used when expertise required is not available from TAAC and also to supplement TAAC when TAAC staff is at caseload capacity.

Internal TAAC Development

The TAAC plans to implement several action steps during the next year to relieve the problems identified, and to capitalize on the successes noted earlier in the report.

Staff and Organization. Early in the project year (September 1979 through January 1980), intensive recruiting and hiring continued from the first year. During this period, seven professionals were identified and hired, with the last one reporting for work on March 10, 1980.

The basic hiring objectives were to build a staff which would have a full complement of functional skills and appropriate industry experience. Consideration was given to attempting to obtain the following qualities and skills:

-- Experience with manufacturing, banking and/or consulting organizations, including significant operational responsibility within the organization.

-- Financial experience or training, such as previous profit responsibility, previous use and/or design of accounting systems and/or an MBA.

-- Special experience and/or skills in marketing, finance or production.

-- Special industry experience in industries more frequently assisted by the Southeastern TAAC.

It is felt that, at present staffing levels, a good balance of industry and functional skills has been achieved except in the area of marketing. Plans for next year include the addition of one more marketing specialist. Staff specialties and skills are summarized in Exhibit XI.

EXHIBIT XI
TAAC STAFF SPECIALTIES & SKILLS SUMMARY

TLE	DEGREES	INDUSTRY EXPERIENCE	FUNCTIONAL SKILLS/ SPECIALTIES
) Chief	BS NSCS	Financial Consulting Company Management	Administration Finance Organization
ogram Manager	BIE	Apparel Consulting Retail Prod. Distribution	Industrial Engineering Production Management
sociate ogram Manager	BSIM MBA Management	Commercial Banking Management Consulting	Finance
Specialist/ oject Manager	BBA Accounting MBA Finance	Aircraft Manufacturing Accounting Management	Accounting Finance
"	BSIM MS Management	Banking Management Consulting	Finance Accounting Data Processing
"	BS MBA Finance	Textile Production	Process Engineering Quality Control Finance
"	BIE MBA Finance	Textile Production	Industrial Engineering Finance
"	BA JD	Apparel Management Textile Management Retail Buying	Production Management Sales
Specialist ull Time)	BA MBA Marketing	Retailing Market Research Consulting	Marketing
Specialist art Time)	BSIM MBA Finance	Commercial Banking	Finance
"	BA MBA	Commercial Banking Investments Financial Consulting	Finance Accounting
"	BME MBA Finance	Metal & Glass Products	Mechanical Engineering Production Management Finance Data Processing
treach/Cer- tification Specialist	BIE MBA	Printing	Industrial Engineering

ibit XI continued

LE	DEGREES	INDUSTRY EXPERIENCE	SPECIALTIES
er EES Per-onnel (Part ime)	BS Marketing M Ln	Georgia Tech	Marketing
er EES Per-onnel (Part ime)	BIE MBA PhD	Aircraft Manufacturing	Marketing Industrial Engineering

During the past year, the administrative duties of daily TAAC operations have been divided primarily between the Program Manager and the Assistant Program Manager. Outreach and petition activities were primarily the responsibility of the University Centers. The remaining internal, outreach, certification and technical assistance activities were divided among the professional staff.

Currently, at the end of the funding period TAAC has reorganized to meet the need to centralize and better control outreach and certification activities, and to better manage the growing number of technical assistance cases. The basic changes are as follows;

-- Outreach, certification and many administrative responsibilities will be delegated to the one associate program manager so the program manager can devote more time to managing and coordinating technical assistance activities.

-- One full-time professional will be assigned to assist in the outreach and certification duties to eliminate this work from other staff members' workloads and to pick up some of the work previously performed by the University Centers.

-- A middle-level position of associate program manager will be created to assist in management and review of all technical assistance activities.

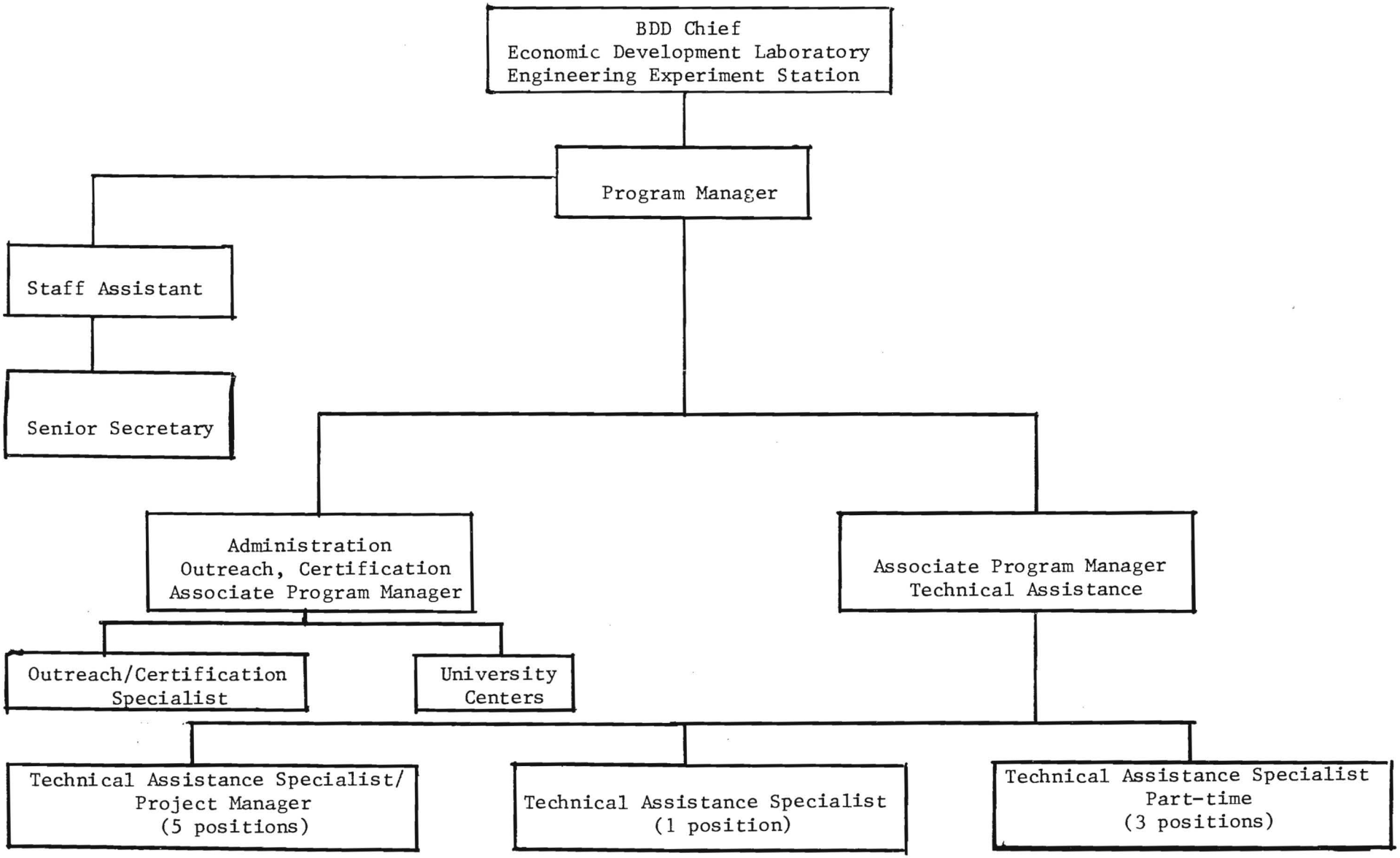
The new organizational structure is shown in Exhibit XII.

Outreach Systems. As with all the TAACs, the Southeastern TAAC has experimented with several outreach techniques. These techniques have run the gamut, from mass "shotgun" approaches to visits with individual firms believed to be certifiable. In the "Successes Encountered" section of this report, a telephone screening technique was described. The technique appears to successfully compromise the conflicting inverse relationship between cost (per contact) and benefit (high ratio of serious inquiries from certifiable firms to total firms contacted) other techniques have not achieved.

The TAAC plans to utilize this technique as the cornerstone of a new outreach system.

Another key component of the system is an interactive computerized data base. This data base will include critical demographic information (including SIC codes for products produced) on all manufacturing facil-

ORGANIZATIONAL STRUCTURE - SOUTHEASTERN TAAC
As of June 30, 1980

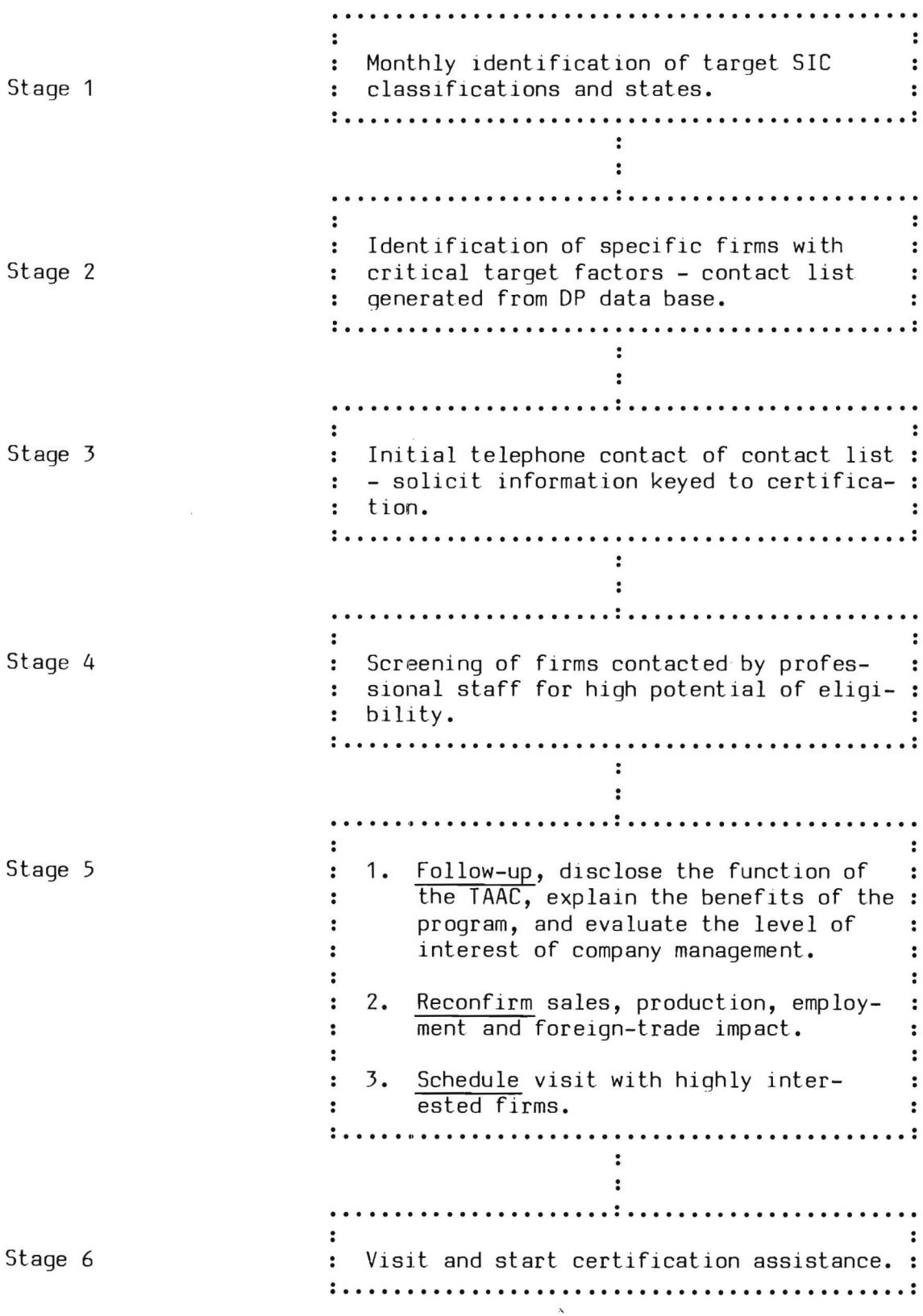


ities located in the Southeastern region. The publisher of each southeastern state's industrial directory has agreed to provide a DP magnetic tape of its directory as an integral part of this data base.

Exhibit XIII diagrams the proposed new outreach system. The TAAC feels that combining this system with the new organizational structure will assure an adequate flow of certified firms.

EXHIBIT XIII

FLOW DIAGRAM OF PROPOSED OUTREACH SYSTEM
SOUTHEASTERN TAAC



CONCLUSION

This program year has been a pivotal one for the Southeastern TAAC. At the beginning of the year, program management was largely engaged in continued efforts to properly staff the TAAC while coordinating the delivery of services to eligible and potentially eligible firms through its existing skeleton staff, the university network, and outside consulting organizations. The year end finds the majority of recruiting and staffing accomplished and the caseload capacity of the TAAC improved.

The TAAC forsees the upcoming program year as being devoted to obtaining higher levels of client assistance. It is the goal of the organization and its management to meet its threefold mission -- while continuing to refine and improve program activities and techniques.

APPENDIX 1

ASSESSMENT OF THE SOUTHEASTERN REGION'S
"UNIVERSE OF POTENTIALLY TRADE IMPACTED FIRMS"

The Southeastern TAAC has located no external source which specifically quantifies the existing and potential foreign-trade impacted firms located in the Southeastern region. For this reason, the TAAC has attempted to determine a "universe" of its own. This universe is a conservative estimate of potential caseload sources as the derivation of the universe was based on the following constraints:

-- Only those industries (as designated by the Standard Industrial Classification system) which historically have provided certified firms were included in the study.

-- Within those identified industries, only those firms which produce the specific product previously identified (through the certification of a specific firm) as foreign trade impacted were included.

Exhibit I of the Appendix categorizes the results of the study. For additional information, the exhibit denotes the SIC designations and state locations of the Southeastern TAAC cases in process as of June 30, 1980.

This approach yields a count of 13,869 firms producing impacted products, and provides the total upon which the calculation of the number of certifiable firms is based. It is estimated that 10%--or approximately 1,400 firms--are certifiable. The 10% estimate was utilized in the TAAC's refunding proposal for the 1979-80 period, and was recently verified by a sample survey.

EXHIBIT 1

SOUTHEASTERN TAAC'S UNIVERSE OF POTENTIALLY TRADE IMPACTED FIRMS BY S.I.C. & STATE
S.I.C. AND STATE LOCATION OF IN-PROCESS S.E. TAAC CASES

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
0181	Flower Culture and Nursery Products	Cut Flowers	159		901	2	167		120		58		344	1	85		176		2,010	3
1211	Bituminous Coal and Lignite Mining	Coal	157		11		16		1,094	1			9				209	1	1,496	2
2011	Meat Packing	Beef	71		24		69		32		37		59		21		37		350	
2033	Canned Fruits, Vegetables, Preserves, etc.	Mushrooms			1												1		2	
2052	Cookies, Crackers, Pretzels	Butter Cookies	5		7		21		2				10		1		8		54	
2062	Cane Sugar Refining	Cane Sugar	1		5		2				1								9	
2084	Wine and Brandy	Wine	1		2		1		2		1		1		2				10	
2086	Bottled and Canned Soft Drinks and Carbonated Water	Mineral Water			5				1										6	
	SUBTOTAL		394		956	2	276		1,251	1	97		423	1	109		431	1	3,937	5

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2092	Fresh or Frozen Packaged Seafood	Shrimp	15		31		10		0		14		49	1	15				134	1
2211	Broad Woven Fabric Mills, Cotton	Fabrics	19		14		43		1		1		46		45		15		184	
2221	Broad Woven Fabric Mills, Synthetics	Synthetic Fabrics	9		25		11				4		46		43		8		146	
2231	Broad Woven Fabric Mills, Wool	Dye and Wind Cloth					3		1		1		8		7		3		23	
2241	Narrow Fabric Mills	Narrow Fabric; Electric Paper	6		12		12		1		1		38		18		6		94	
2252	Hosiery (except women's full and knee length)	Socks	19		1		14		3		2		196		2		3		240	
2253	Knit Outerwear Mills	Ladies Knitwear, suits	2		12								47		11		13	1	85	1
2254	Knit Underwear Mills				1		5		2		3		11	1	2		2		26	1
	SUBTOTAL		70		96		98		8		26		441	2	143		50	1	932	3

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2257	Circular Knit Fabric Mills	Knit Fabrics	6		2		10		2				21		8		4		53	
2258	Warp Knit Fabric Mills	Knit Fabrics	1		10		4						106		21	1	2		144	1
2259	Knitting Mills (not elsewhere classified)	Knitwear	2										15		2		2		21	
2261	Cotton Finishers	Print Fabric	4		9		5		4				22		25		10		79	
2281	Yarn Spinning Mills, Cotton & Synthetics	Yarns	25				51		2				142	1	30		10		260	1
2283	Yarn Mills, Wool	Hand Knitting Yarns			1		1		1				6		13		3		25	
2295	Coated Fabrics	Coated Fabrics	2		3	1	8		2				11		7		6		39	1
2298	Cordage and Twine	Rope, Fishing Line	4		4		4				2		13		2		2		31	
	SUBTOTAL		44		29	1	83		11		2		336	1	108	1	39		652	3

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2299	Textile Goods (not elsewhere classified)	Shirts							1		1		13		10		1		26	
2311	Men's & Boys' Suits, Coats and overcoats	Suits	3		5		14		5		12		7		4		28		78	
2321	Men's & Boys' Shirts & Nightwear	Shirts	34	2	25		34		13	1	33		61	1	34		55	2	289	6
2322	Men's and Boys' Underwear	Underwear	5		1		11		5		5		15	1	5		3		50	1
2327	Men's & Boys' Trousers	Slacks	32	2	10		64		9		31		7		6		35		194	2
2328	Men's and Boys' Work Clothing	Work Clothes	30		5		38		22		30		14	2	8		34		181	2
2329	Men's and Boy's Clothing (not elsewhere classified)	Down-Filled Outerwear	2				7	1	4		6		1						20	1
2231	Women's and Children's Flouses and Skirs	Sportswear, Blouses	37	1	27		22	1	6		28		23		44		32		219	2
	SUBTOTAL		143	5	73		190	2	65	1	146		141	4	111		188	2	1057	14

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2335	Women's Dresses	Dresses	10		69		19		5		2		37		46		9		197	
2337	Women's Suits, Skirts, and Coats	Coats & Suits	6		19	1	17		5		12		10		20		20		109	1
2339	Women's Outerwear (not elsewhere classified)	Outerwear	36		108	1	92	2	18		35		99	1	43		44		475	4
2341	Women's and Children's Underwear and Nightwear	Underwear	12		7		20				9		46		11		9		114	
2342	Brassieres and Girdles	Bras and Girdles	7		2		5		1				3		1		2		21	
2352	Hats and Caps	Hats and Caps	2		8		4		4		2						3		23	
2361	Girls' Dresses, Blouses, and Shirs	Sportswear	6		3		10		2		5		24		16		5		71	
2363	Girls' and Children's Coats and Suits	Coats	3				7				3		2		1		2		18	
	SUBTOTAL		82		216	2	174	2	35		68		221	1	138		94		1028	5

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2369	Girl's and Children's Outerwear (not elsewhere classified)	Dresses	4		15		14	1	3		12		35		8	1	6		97	2
2371	Fur Goods	Coats													1				1	
2381	Dress and Work Gloves (except knit and all leather)	Gloves	3				8		3		11		8		3		5		41	
2384	Robes and Dressing Gowns	Kimonas Lingerie	7		3		6		2		5		10		11		7		51	
2385	Raincoats	Ladies' Raincoats	1		6		3		1		3		2		1				17	
2386	Leather and Sheep-Lined Clothing	Women's Leather Coats											1				2		3	
2387	Apparel Belts	Belts			6		3						1						10	
2389	Apparel and Accessories (not elsewhere classified)	Accessories	4		1		6						5		5		1		22	
	SUBTOTAL		19		31		40	1	9		31		62		29	1	21		242	2

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2391	Curtains and Draperies	Curtains	14		71		28		4		1		34		12		13		177	
2392	House Furnishings	Textile Coverings	14		36		27		8		9		22		16		13		145	
2394	Canvas and Related Products	Sails, Tents	4		12		2		3	1	3		4		1		5		34	1
2395	Decorative Stitching	Braids											2						2	
2396	Automotive Trimmings	Bindings			3		3				2		2		1		1		12	
2399	Fabricated Textile Products (not elsewhere classified)	Doll Clothes Handweaving						3	1										1	3
2421	Sawmills-General	Cut Lumber	215		57		176		115		98		274		71		231		1237	
2426	Hardwood Dimensions	Furn. Parts	2		6		3		12		36		63		6		37	1	165	1
2429	Special Product Sawmills	Cedar Shingles			1														1	
	SUBTOTAL		249		186		239	3	143	1	149		401		107		300	1	1,774	5

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2431	Millwork	Rail and Style Doors	26		30		27		8		12		9		11		9		132	
2435	Hardwood Veneer and Plywood	Paneling			2		1		3				4		2		1		13	
2451	Mobile Homes	Mobile Homes/ Buildings	18		39		28				7		23		1		15		131	
2499	Wood Products (not elsewhere classified)	Wood Products	38		98		56		52		38		87		24	1	60		453	1
2511	Wood Household Furniture	Dinette	1		6		5		2		1		5	1	2		3		25	1
2512	Wood Household Furniture (Upholstered)	Chairs	12		15		10		12		22		27		3		27		128	
2514	Metal Household Furniture	Tables and Chairs	14		29		9		5		8		18		1		13		97	
2517	Wood TV, Radio and Sewing Machine Cabinets	TV Cabinets							1				2				1		4	
	SUBTOTAL		109		219		136		83		88		175	1	44	1	129		983	2

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2541	Wood Partitions, Shelving and Office and Store Fixtures	Displays	1		4		5		3				7				4		24	
2599	Furniture and Fixtures (not elsewhere classified)	Valet Stands			1		1												2	
2645	Die Cut Paper and Chalkboard	Paper Board Products			10		4		3		4		16		6		5		48	
2782	Blank Books, Loose Leaf Binders, etc.	Photo Albums			9		3		2		3				3		6		26	
2819	Industrial Inorganic Chemicals (not elsewhere classified)	Paint											1						1	
2843	Surface Active Agents	Soaps, Detergents	2				6				2		2						12	
2844	Perfurmes, Cosmetics, etc.	Perfurmes, etc.	3		16		3		2		4		5		5		12		50	
2873	Nitrogeneous Fertilizers	Fertilizer	7		10		17				5		12		6		6		63	
	SUBTOTAL		13		50		39		10		18		43		20		33		226	

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
2891	Adhesives and Sealants	Textile Adhesives	2		4		5		6		1		8		11		11		48	
3011	Tires and Inner Tubes	Tires	8		2		2		2		4		8		3		10		39	
3021	Rubber and Plastic Footwear	Footwear			6	1	4						2						12	1
3069	Fabricated Rubber Products (not elsewhere classified)	Bibs, Toys			1	1	1						1						3	1
3079	Miscellaneous Plastic Products	Foam Insulated Products	2		10		4		2		5		2		3		2		30	
3111	Leather Tanning and Finishing	Leather			5	1	3		3		2		8		4		11		36	1
3131	Boot and Shoe Cut Stock	Repair Blanks			2		1						1				4		8	
3142	House Slippers	Slippers			3		4	1					1				4		12	1
	SUBTOTAL		12		33	3	24	1	13		12		31		21		42		188	4

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3143	Men's Footwear (except athletic)	Shoes			2		2		3		1		4				7	1	19	1
3144	Women's Footwear (except athletic)	Shoes	1		6		1		4		4		1				6		23	
3149	Footwear (except rubber/ not elsewhere classified)	Sport Footwear			3		3						5				4		15	
3151	Leather Gloves	Gloves							2	1	3		4				4		13	1
3161	Luggage	Garment Bags									3		1		1		4		9	
3171	Women's Handbags	Handbags			21	2	5	1	1		8		3				11	1	49	4
3172	Personal Leather Goods	Clothing			1						1		2				8		12	
3199	Leather Goods (not elsewhere classified)	Leather Goods	4		11		6		5		2		7		6		15		56	
SUBTOTAL			5		44	2	17	1	15	1	22		27		7		59	2	196	6

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3229	Pressed and Blown Glass-ware (Not elsewhere classified)	Glass Fixtures	1										1		1		2		5	
3253	Ceramic Wall and Floor Tile	Tile	2		6		4		2		2		1		1		4		22	
3269	Pottery Products (not elsewhere classified)	Stoneware			4		4		2		5		10		1		7		33	
3271	Concrete Block and Brick	Bricks	7		8		4		2		4		1		5		8		39	
3272	Concrete Products (except Block and Bricks)	Molds					1										1		2	
3295	Minerals and Earths, Ground or otherwise treated	Crushed Limestone							2		1		2		2				7	
3312	Blast Furnace, Steel Works, and Rolling Mills	Steel Wire	1		2		1						2				2	1	8	1
3315	Steel Wire Drawing and Steel Nails	Wire	1		2		3		2		2		6		5		3		24	
	SUBTOTAL		12		22		17		10		14		23		15		27	1	140	1

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3316	Cold Rolled Steel	Rolled Steel	2		2		1		3		5		3		6		2		24	
3317	Steel Pipe and Tube	Pipe and Tube	7		8		5		8		4		1		2		4	1	39	1
3321	Gray Iron Foundries	Castings	38	1	9		12		3		8		19		12		27		128	1
3351	Rolling, Drawing and Extruding of Copper	Wire Rope					2				2		2		1		2		9	
3354	Aluminum Extruded Products	Extrusions	2		5		5		4		5		2		5		4		32	
3357	Drawing and Insulating on Non-Ferrous Wire	Resistant Wire	3		9		2		10		4		7		4		3		42	
3421	Cutlery	Stainless Flatware			1		1				1		1		2				6	
	SUBTOTAL		52	1	34		28		28		29		35		32		42	1	280	2

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3429	Hardware (not elsewhere classified)	Auto Doors									1		1						2	
3433	Heating Equipment (except electric and warm air furnaces)	Wood Stove	3				2		2				4				1	1	12	1
3441	Fabricated Structural Metal	Steel Products	84		74		102	1	24		65		55		58	1	114		576	2
3452	Bolts, Nuts, Screws Rivents and Washers	Fasteners	19		19		6		11		9		6		7		10		87	
3462	Iron & Steel Forgings	Steel Forge	4		11				5		5		3		1		6		35	
3484	Small Arms	Rifles and Guns			2						1				1		1		5	
3494	Valve & Pipe Fittings	Pipe Fittings	11		33		4		6		8		20		6		11		99	
3496	Miscellaneous Fabricated Wire Products	Screen, Cable	5		16		8		4		12		16		19		22		102	
SUBTOTAL			126		155		122	1	52		101		105		92	1	165	1	918	3

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3499	Fabricated Metal Products (not elsewhere classified)	Gift Items	1		16		5		3	1			2						27	1
3544	Special Dies & Tools	Ind. Knitting Machine Parts Tire Recap.					1	1											1	1
3552	Textile Machinery	Machinery	7		10		57		2				182		108		17		383	
3555	Printing Trades Machinery	Presses	1		1		3		1						1				7	
3559	Special Industry Machinery (not elsewhere classified)	Tire Retreading, Machinery	1		1								1				1	1	4	1
3562	Ball and Roller Bearings	Bearings	1				2		4		1		3		11		3		25	
3569	General Industrial Machinery (not elsewhere classified)	Hydraulic Jacks	1		1				1				2						5	
3573	Electric Computing Equipment	Computer Components	2		17		3		1				15		4		4		46	
SUBTOTAL			14		46		71	1	12	1	1		205		124		25	1	498	3

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3576	Scales & Balances	Scales	5		4		3		2		3		1		1				19	
3579	Office Machines (not elsewhere classified)	Copying Machines					1								1		1		3	
3629	Electrical Industrial Apparatus (not elsewhere classified)	Battery Chargers			1				1				1		1		1		5	
3634	Electric Housewares and Fans	Heating Elements	1								1						5		7	
3651	Radio and TV Receiving Sets	TV Sets											1				1		2	
3661	Telephone Apparatus	Switching Equipment	3		2		1				2		7		5		4		24	
3662	Radio and TV Transmitting Equip.	Security Devices, CB Equipment			21		7		4	1			3				7		42	1
3671	Radio and TV Receiving Type Tubes	Tubes			1		1		1										3	
SUBTOTAL			9		29		13		8	1	6		13		8		19		105	1

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3674	Semiconductors	Components	1		3				5		2		4		1		5		21	
3677	Coils & Transformers	Coils	2		2		2				1		2		1		2		12	
3679	Electrical Components (not elsewhere classified)	CB Antennas	1				2								1	1			4	1
3694	Electrical Equipment for Automotive Engines	Wiring Harnesses	2		3						4		1		4		6		20	
3714	Motor Vehicle Parts and Accessories	Car Accessories	5		4		8		2				1		1		1		22	
3823	Industrial Instruments	Electrolytic Meters									2		3		5		6		16	
3825	Electrical Measuring Instruments	Electronics	2		36		2		3		1		2		2		2		50	
3832	Optical Instruments and Lenses	Lens Grinders/ Precision Optics	3		13		3		6		4		1		1		4		35	
SUBTOTAL			16		61		17		16		14		14		16	1	26		180	1

Exhibit I, Appendix 1 Continued

CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3949	Sporting and Athletic Goods (not elsewhere classified)	Sporting Goods/ Fishing Tackle	15		70		18		9		29		14		13		25		193	
3951	Pens and Mechanical Pencils	Pens and Pencils			9		1		2		2		3		1		9		27	
3961	Costume Jewelry	Men's Jewelry	1		12		2		3		1		1				7		27	
3962	Feathers, Artificial Trees & Flowers	Artificial Flowers			8		2		2				6	1	1		2		21	1
3963	Buttons	Buttons			5		2		1				2				3		13	
3964	Needles, Pins Hooks & Notions	Zippers			3		4				2		14		4		3		30	
3991	Brooms & Brushes	Brushes			9		4		3		1		7				4		28	
3999	Manufacturing Industries (not elsewhere classified)	Handbag Frames/ Umbrellas			5		3	1											8	1
SUBTOTAL			16		121		36	1	20		35		47	1	19		53		347	2
TOTAL			1397	6	2450	12	1644	13	1801	7	875		2774	11	1147	5	1781	11	13869	65

Exhibit I, Appendix 1 Continued

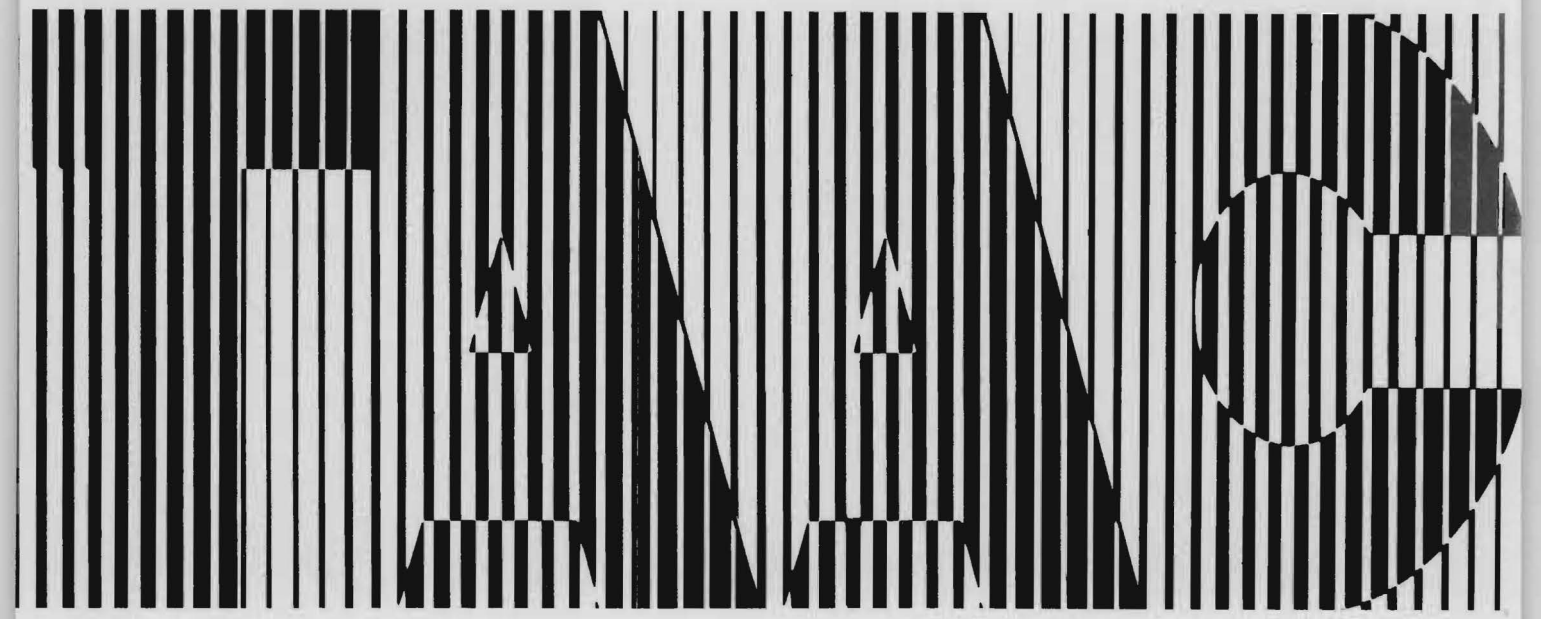
CODE	CLASSIFICATION	CERTIFIED PRODUCTS	ALABAMA	ALABAMA TAAC CASES	FLORIDA	FLORIDA TAAC CASES	GEORGIA	GEORGIA TAAC CASES	KENTUCKY	KENTUCKY TAAC CASES	MISSISSIPPI	MISSISSIPPI TAAC CASES	NORTH CAROLINA	NORTH CAROLINA TAAC CASES	SOUTH CAROLINA	SOUTH CAROLINA TAAC CASES	TENNESSEE	TENNESSEE TAAC CASES	TOTAL	TOTAL TAAC CASES
3851	Ophthalmic Goods	Eyeglass Frames	1		3	1	5						1						10	1
3861	Photographic Equipment & Supplies	Camera Equipment			10	1	2				2		8				8		30	1
3873	Watches & Clocks	Watch Cases & Crystals	2																2	
3911	Jewelry, Precious Metal	Jewelry	3		30		3		3		3		2				9		53	
3914	Silverware, Stainless Steel Ware	Stainless Cutlery			2						1						1		4	
3931	Musical Instruments	Musical Instruments	1		1		2		4		3		8		3		9		31	
3942	Dolls & Stuffed Toys	Stuffed Toys					3			1			4				3		10	1
3944	Games and Toys	Skateboards/ Kites/ Toys	5		3		9		5		7		8		1		8		46	
SUBTOTAL			12		49	2	24		12	1	16		31		4		38		186	

A-2229

TECHNICAL ASSISTANCE PROJECT
ECONOMIC DEVELOPMENT ADMINISTRATION · U.S. DEPARTMENT OF COMMERCE
TAP

ANNUAL REPORT

July 1,1980-June 30,1981
Grant Number 04-26-07095-30



SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER

Georgia Institute of Technology
A Unit of the University System of Georgia
Engineering Experiment Station
Economic Development Laboratory
Atlanta, Georgia 30332

A Program of the Economic Development Administration

Grant 99-26-09892-10,
as modified by Grant
99-26-07061-10 and
04-26-07095-30

SOUTHEASTERN TRADE ADJUSTMENT ASSISTANCE CENTER (TAAC)

ANNUAL REPORT
July 1, 1980 - June 30, 1981

This technical assistance project was accomplished under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and/or its consultants and do not necessarily reflect the views of the Economic Development Administration.

Southeastern Trade Adjustment Assistance Center
Economic Development Laboratory
Engineering Experiment Station
Georgia Institute of Technology
Atlanta, Georgia 30332

August 1981

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INTRODUCTION

The Southeastern Trade Adjustment Assistance Center (TAAC) was created on September 15, 1978, by a grant from the United States Department of Commerce, Economic Development Administration, for the express purpose of providing assistance, primarily as authorized by the Trade Act of 1974, to eligible and potentially eligible trade impacted firms. The TAAC's service region defined by its grant includes the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

The Southeastern TAAC was established as an operating branch of the Business Development Division, the Economic Development Laboratory, Engineering Experiment Station of the Georgia Institute of Technology (Georgia Tech). Contractural relationships were created between Georgia Tech and six other EDA University Centers in the region to assist in meeting the mission of the Southeastern TAAC.

The basic mission of the TAAC is threefold:

OUTREACH	To disseminate information about the Trade Adjustment Assistance (TAA) program and the Southeastern TAAC by identifying and contacting firms within its service area which have been impacted by increasing, direct competition with foreign imports;
CERTIFICATION	To assist trade impacted firms in understanding the TAA program and in obtaining EDA certification of eligibility for receipt of TAA program benefits; and
TECHNICAL ASSISTANCE	To provide goal oriented technical assistance for the of reestablishing client firms as stable, economically viable business entities.

Primary activities during the initial grant period included development of the program structure, the work plan, initial staff, and the development of an outreach network through existing university centers within the southeastern region. Significant levels of program promotion (outreach) to primary and

secondary contacts, and certification assistance to potentially eligible firms occurred during TAAC's first year of operation.

The second funding period was characterized by a continuing refinement of the internal organizational structure and methodology, adjustments to EDA policy changes, and managing the evolution of the TAAC to a fully-staffed, mature, operating unit.

Refunded by the Economic Development Administration on July 1, 1981, for a period of 12 months, the Southeastern TAAC continued assistance to clients identified through outreach and certified during the previous funding period as well as creating and servicing demand from potentially eligible impacted firms. This report discusses the activities and related accomplishments, problems, and program development of the Southeastern Trade Adjustment Assistance Center's third funding period. Additionally, the report addresses the Center's preparation for its future program delivery.

SUMMARY OF ACTIVITIES
July 1, 1980 - June 30, 1981

The following is an assessment of Southeastern TAAC program efforts during its third funding period. These sections highlight progress within key elements of the program and specifically address problems and successes encountered during the 12 months of the third funding year.

Summary of Outreach Efforts

Exhibit 1 describes initial contacts made by TAAC and University Centers during the third funding period. The figures include unsolicited contacts, i.e., contacts initiated by firms which were referred by third-party sources, as well as contacts initiated by the TAAC organization. The number of contacts and certifications for the third funding period versus contacts and certifications for the second funding period are as follows:

	SECOND YEAR	THIRD YEAR*
Contacts	3,099	347
Certifications	24	26
Ratio	0.7%	7.5%

*As of June 30, 1981, five clients were accepted and awaiting certification.

These figures dramatically illustrate the bottom line difference between mass contact techniques (such as mass mailings which were largely used in the first six months of the last funding year) versus the targeted outreach techniques used exclusively in the third year. The target outreach technique was tested late in the previous period as a method of turning contacts with firms into a higher percentage of inquiries (formal request for information and high level of interest in the program) and certifications.

EXHIBIT I

OUTREACH AND CERTIFICATION ACTIVITIES BY STATE
July 1, 1980 - June 30, 1981

	AL	GA	FL	KY	MS	NC	SC	TN	TOTALS
Outreach Contacts	53	33	52	29	38	95	40	7	347
Certification Activities:									
Petitions Accepted		7	8	1	1	12	2	3	35
Petitions Withdrawn/Resubmitted		1	1			1		1	4
Petitions Withdrawn/Not Resubmitted		3				3	1	1	8
Certified	1	5	6	3		6	2	3	26
Terminated			1			1			2

The result of the test was so successful that a second use of the technique, termed the "Standardized Telephone Routine," was not necessary until three months into the current year. The technique has allowed the TAAC to reduce its outreach and certification costs, increase its success ratio (certifications) and still provide the case load necessary to fully utilize its technical assistance staff.

Outreach efforts also have continued to emphasize the development of a referral network. In prior years, university centers and the TAAC have contacted a large number of federal, state, and local government officials and agencies, as well as other potential sources of referral in the private sector such as financial institutions and trade associations. This year, TAAC management decided to concentrate on the Small Business Administration's district offices for the twofold purpose of:

- Making the individual offices and their personnel aware of the Trade Adjustment Assistance program so they would refer potential clients; and
- Laying the groundwork for successful alternative financing for the TAAC's smaller clients.

The TAAC first scheduled a meeting with officals from the SBA Region IV office (whose region is the same as Southeastern TAAC's). This meeting was held to enable an exchange of program information between TAAC staff members and SBA representatives, and it resulted in a better understanding of SBA financing programs. The meeting also resulted in an invitation to meet with officials in each of the SBA Region's nine district offices. Later, teams of two professional staff members visited each SBA district office and submitted reports on the meetings to the other members of the TAAC staff.

Analysis of Technical Assistance Activities

Exhibit II is a statistical analysis of the level of assistance provided in the reporting year and the projected level of assistance in the fourth funding period. It also depicts the trend in types of assistance provided and anticipated (related to historical and projected staff levels and case loads).

Trends in Caseload: Certification Assistance was the dominant activity of the TAAC staff during the initial funding period, with 75% of the total case load devoted

Southeastern TAAC

EXHIBIT II

FIRM ACTIVITY SUMMARIES
FOR REPORTING PERIOD AND FOURTH PERIOD PROJECTIONS

	September 1978 - September 1979	October 1979 - June 1980	July 1980 - June 1981	Projections July 1981 June 1982
Certification Assistance:				
1. Assistance completed - firms certified	8	29	26	
2. Assigned inactive status	N/A	N/A	6	
3. Assistance in-process				
a. Client has petition, has not begun	33*	1	4	
b. Client has petition, partially completed	7	20	4	
c. Petition accepted as of period's closing, awaiting TACD action		8	5	
d. Petition submitted, awaiting TACD action		0	0	
e. Rejected	6	4	2	
f. Withdrawn	2	0	1	
Total in-process	48	33	16	
Total number of firms receiving Certification Assistance during period	56	62	48	63
Initial/Diagnostic Assistance:				
1. Assistance completed, without loan application assistance	1	5	18	
2. Assistance completed, with loan application assistance	2	5	19	
3. Assigned inactive status	N/A	3	3	
4. Assistance in-process	13	28	27	
Total number of firms receiving Initial/Diagnostic Assistance during period	16	41	67	68

*Includes in-process cases for 3a, c, and d.

Southeastern TAAC

EXHIBIT II, concluded

FIRM ACTIVITY SUMMARIES
FOR REPORTING PERIOD AND FOURTH PERIOD PROJECTIONS

	September 1978 - September 1979	October 1979 - June 1980	July 1980 - June 1981	Projections July 1981 - June 1982
Implementation Assistance:				
1. Assistance completed	1	1	1	
2. Assigned inactive status	N/A	0	3	
3. Assistance in-process	2	6	13	
Total number of firms receiving Implementation Assistance during period	3	7	17	24
Loan Monitoring Assistance:				
1. Assistance completed	N/A	N/A	1	
2. Assistance in-process	N/A	N/A	9	
Total number of firms receiving Loan Monitoring Assistance during period	N/A	N/A	10	21
Total number of firms receiving any form of assistance during period	75	110	142	176
Number of TAAC professional staff members during period**	3.25	7.6	8.25	9.65
Average TAAC professional staff case load:				
Cerfication Assistance	17.23	8.16	5.82	6.56
Initial/Diagnostic Assistance	4.92	5.39	8.12	7.00
Implementation Assistance	.92	.92	2.06	2.50
Loan Monitoring Assistance	-	-	1.21	2.18
Total	23.07	14.47	17.21	18.24

**Does not include administrative TAAC professionals; the number shown represents the weighted average of full-time equivalent technical assistance staff for the period.

to that level of assistance. Through the second and third refunding periods, the emphasis of the technical assistance staff shifted to other levels of assistance as Certification Assistance case load dropped to 33.8% of the total case load. The decline in Certification Activity is actually lower than the statistics show. As the staff gained experience in Certification Petition Assistance, the time necessary to devote to this level of assistance dramatically dropped. Additionally, during the early part of the program, TAAC drew heavily on its subcontractos -- the university centers -- to assist in Certification Assistance, whereas in the current reporting period this activity has largely been provided by internal staff. Technical Assistance case load (Initial/Diagnostic, Implementation, and Loan Monitoring) has increased from 25% of total case load in the first year to 66.2% of total case load in the third period of project activity. Again, in reality, these statistics are distorted, as the amount of time devoted by TAAC staff per complete case to Technical Assistance normally averages 28 times that devoted to Certification Assistance.

Technical Assistance Trends: Trends in all levels of Technical Assistance reveal the continued emphasis on devoting more time to higher levels of assistance. The number of firms receiving Implementation Assistance, for instance, has increased 566% while Initial/Diagnostic Assistance grew only 63% between the second and third period. This shift has been expected and encouraged by both the TAAC and the EDA. The amount of Loan Monitoring Assistance, which did not exist during the first two periods, highlights the maturation of the Technical Assistance process.

Projections: Historical trends lead TAAC management to project that the fourth period case loads will increase to 18.24 per Technical Assistance staff member. Continued maturation of the existing case load should increase the activity in both Implementation and Loan Monitoring Assistance, with an accompanying slowdown in the growth of Initial/Diagnostic activity. The TAAC is projecting approximately 40% and 100% growth in Implementation and Loan Monitoring cases respectively.

Distribution of Cases by State

Exhibit III compares the percentage of new cases in each funding period and since the beginning of the program by state location of the client's principal operating

facility. Estimates by state of the TAAC's current universe of potentially import-impacted firms is also included. The TAAC recalculates its universe each program year to assist in targeting outreach efforts.

Equitable distribution of TAAC funds has been a priority of TAAC management, as has equitable distribution of TAAC assistance to impacted industries. The balancing of these priorities is complex, as each states's industrial base and potential import impaction is unique. The TAAC management believes the results (see Exhibit IV for industries) have reflected these priorities. As the TAAC prepares for each outreach effort, it reviews the statistics of state and industry participation to target its "Standardized Telephone Routine" outreach technique at correcting deficiencies. One factor which has made this effort a difficult one is that several of the states with smaller industrial bases (Mississippi, South Carolina, Kentucky, Alabama) tend to have a higher percentage of industrial facilities which are branches of large manufacturing companies actually headquartered outside the Southeastern TAAC region. These states have received priority in this reporting period's outreach efforts, as demonstrated in Exhibit I.

Distribution of Cases by Industry

Exhibit IV describes the industry/state matrix of the Southeastern TAAC's universe of potentially trade-impacted firms and the in-process cases by industry for critical dates in the program's history. All but three potentially impacted industries have received assistance to-date, and the three exceptions are industries primarily dominated by large corporations which tend to be beyond both the TAAC's scope of assistance and the EDA's scope of financial assistance. Decreasing the domination of assistance in any one industry has been a priority of TAAC management, and this is demonstrated by the decline in the apparel industry's ratio of in-process cases at each critical date -- 40.8% in September 1979, 38.5% in June 1980, and 28.0% in June 1981.

Problems Encountered

Staffing. Continuing problems encountered by the Southeastern TAAC since its inception have been locating qualified professional and clerical staff members and

Southeastern TAAC

EXHIBIT III

CASE DISTRIBUTION* BY STATE, BY FUNDING PERIOD, AND
SINCE INCEPTION OF PROGRAM AS COMPARED TO TAAC'S UNIVERSE

	Universe		Percent of New Cases			
	No. of Firms	%	Period 1	Period 2	Period 3	All Periods
Alabama	1,481	10.1	12.8	9.2	10.2	10.5
Florida	3,637	24.7	19.1	18.5	20.3	19.3
Georgia	1,617	11.0	23.4	20.0	11.8	18.1
Kentucky	1,009	6.9	8.5	10.8	1.7	7.0
Mississippi	1,023	6.9	2.1	-	6.8	2.9
North Carolina	3,015	20.5	21.3	16.9	37.2	25.1
South Carolina	1,195	8.1	6.4	7.7	6.8	7.0
Tennessee	1,748	11.9	6.4	16.9	5.2	9.9
Totals	14,725					

*New Cases in the period.

Southeastern TAAC

EXHIBIT IV

UNIVERSE OF POTENTIALLY IMPORT-IMPACTED FIRMS
BY MAJOR SIC GROUP AND BY STATE AND
IN-PROCESS CASES AS OF CRITICAL DATES BY MAJOR SIC GROUPS

SIC CLASSIFICATION	Group No.	AL	FL	GA	KY	MS	NC	SC	TN	Total Region	TAAC cases as of: 9/79	6/80	6/81
Manufacturing:													
Food	20	125	179	141	63	73	138	49	61	829	1	2	1
Textile Mill Products	22	106	136	154	26	13	706	220	111	1472	2	5	19
Apparel and Other Soft Goods	23	308	604	426	186	237	555	267	396	2979	20	25	30
Lumber and Wood Products	24	84	195	65	106	119	243	66	153	1031	1	2	2
Furniture and Fixtures	25	106	353	101	84	127	362	33	210	1376	1	1	2
Paper and Allied Products	26	28	48	50	17	16	32	20	37	248	0	0	0
Chemical and Allied Products	28	67	178	119	47	34	102	89	85	721	0	0	0
Rubber and Plastic Products	30	28	47	50	17	14	49	16	38	259	0	2	4
Leather Products	31	6	59	21	25	20	36	8	74	249	7	8	9
Stone, Shell, Clay, Glass and Concrete Products	32	6	32	4	16	3	8	12	10	91	0	0	0
Primary Metal Industries	33	128	95	54	55	34	54	51	86	557	1	3	6
Fabricated Metal Products	34	109	243	60	83	49	96	46	70	756	2	4	5
Machinery	35	87	248	132	83	75	270	160	120	1175	1	2	7
Electrical and Electronics	36	72	394	52	92	34	107	66	84	901	3	2	6
Transportation Equipment	37	104	186	80	38	88	90	28	60	674	0	0	3
Instruments and Optical Prods.	38	37	131	25	18	14	31	10	39	305	0	2	3
Miscellaneous Industries	39	80	509	83	53	73	136	54	114	1102	7	3	5
Columnar Totals		1481	3637	1617	1009	1023	3015	1195	1748	14725			
% of Region Total		10.1	24.7	11.0	6.9	6.9	20.5	8.0	11.9				
TAAC Cases - Producing (Non-Manufacturing) Firms:											3	5	5
Total TAAC Cases as of:											49	65	107

SOURCES: Industrial directories for states within SETAAC's region.

effectively competing with the private sector for these persons. The federal and state (Georgia) employment procedures for advertising, screening, interviewing, selecting, and receiving authorization to employ also remain significant barriers in making timely offers to candidates identified as desirable potential staff members. In the reporting year, TAAC management has devoted considerable time to personnel matters, wtih the following results:

- The TAAC located three candidates, including two female applicants, who met the requirements for the additional professional position authorized in the third year budget.

- The TAAC was unable to compete with offers from the private sector for two of the candidates, and the length of time required to receive authorization to make an offer prevented the hiring of the third candidate. Other potential candidates have prematurely eliminated themselves from consideration upon discovering the potential salary range.

- The TAAC filled its newly-authorized clerical position after losing a prime minority candidate to a private sector offer. During her probationary period, the TAAC concluded that the new clerical employee was not dependable, and she was released at the end of three months.

- The TAAC's staff assistant and clerical staff supervisor chose not to return after taking maternity leave.

- The TAAC continues to advertise and interview candidates for the available professional and clerical positions.

University Centers. After the conclusion of the second funding year, the TAAC chose not to continue subcontractor relationships with two of its original six subcontracting university centers. The decision also was made to use two of the remaining university centers only as Technical Assistance resources if needed. Of the two centers remaining, loss of key personnel led to the cancellation of contractual relationships between the TAAC and those university centers by the end of the current reporting year.

Collections. During the early months of this fiscal year, a problem with the effective handling of TAAC cost-sharing collections surfaced. The problem primarily emanated from the accounting procedures of Georgia Tech and its affiliated Georgia Tech Research Institute, which acts as the TAAC's collection agent. Corrective

measures and new procedures have greatly reduced the percentage of uncollected cost-sharing funds.

Publicity of Federal Budget Cuts. Heavy publicity of the Reagan budget cut plan, its specific references to the Economic Development Administration and the Department of Labor's Trade Adjustment Assistance Program for workers, as well as rumors concerning federal programs slated for elimination, have seriously eroded TAAC's outreach and certification process. The TAAC has attempted to keep its clients and potential clients informed, as TAAC's sources have kept it informed. Nevertheless, projections for the reporting period have not materialized largely as a result of the publicity.

Financial Assistance. The full ramifications of EDA's new 15% equity rule remain to be seen. Although it is certain to eliminate some undesirable firms, it may also induce the "narrow band" of good firms to turn to alternative financing and assistance sources. These firms are obviously the most desirable loan candidates for EDA. The financial benefits potentially available to a firm historically have been important in attracting new clients.

Trade Act Certification Division (TACD) Communications. The TACD's monthly report of certified firms represents TAAC's primary source of information concerning newly-impacted industries. The report serves as a valuable tool with which TAAC can periodically redefine its universe of potential firms and determine its outreach targets. However, recent flurries of withdrawals of industries the TAAC thought to be impacted have highlighted the need for a flow of information from TACD and its examiners concerning those industries previously experiencing absolute and/or relative increases in imports. If the TAACs were knowledgeable of those industries which previously met import impaction requirements but which are not now eligible, the time and expense of working with firms which ultimately have to withdraw their petitions would be diminished.

Successes Encountered

TAAC Management. The second period refunding proposal described the then newly adopted Southeastern TAAC organizational structure (see Exhibit V). With

heavy additions to the professional staff last year, TAAC management decided to leave the Associate Program Manager for Technical Assistance position unfilled until all the new Technical Assistance staff could be trained, observed, and considered for the position. Mr. Jim Thomas is the recently selected staff member named to this position. His selection completes the TAAC management team, enhancing the success of any management reorganization which may occur in the future.

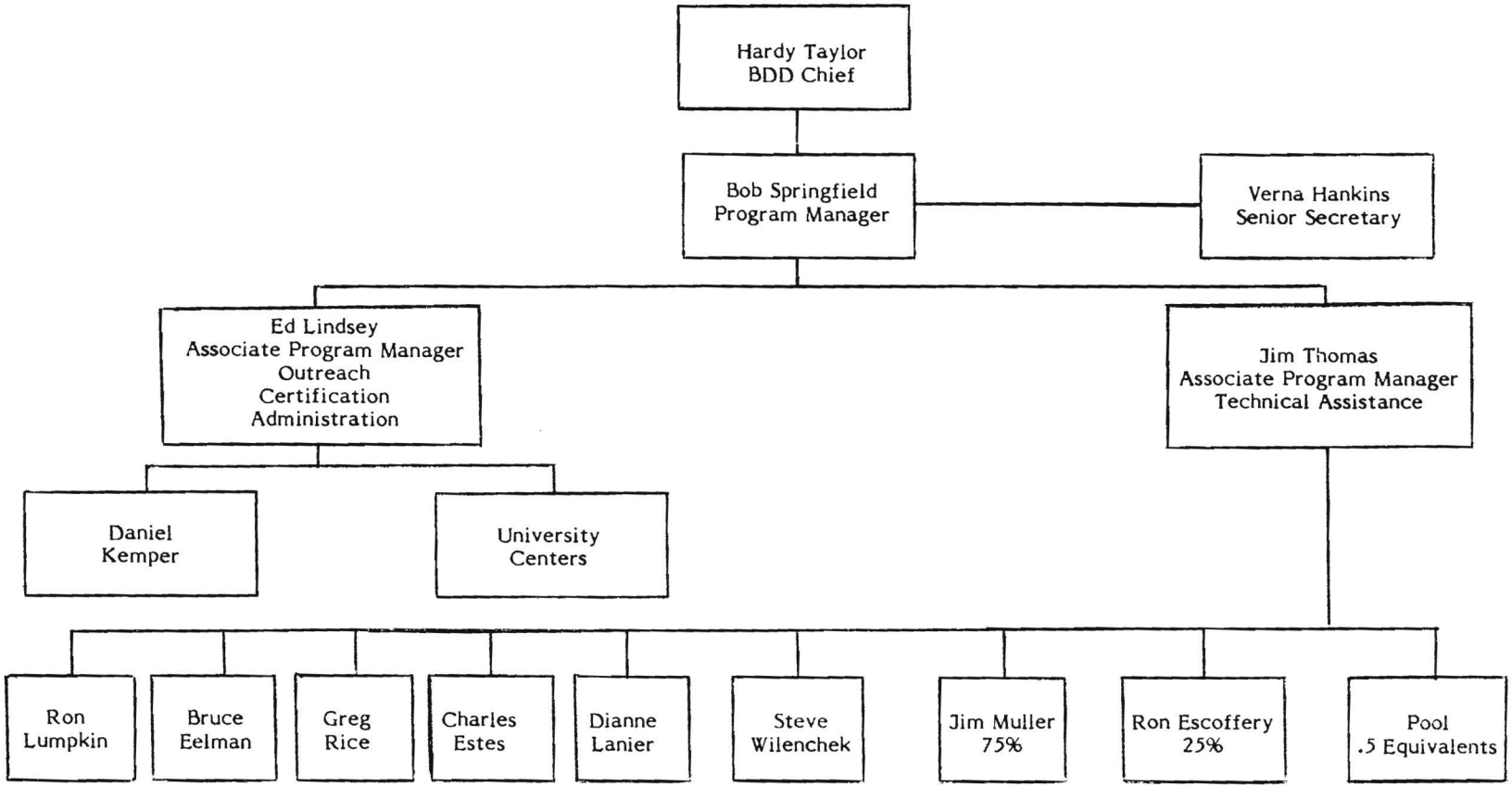
Technical Assistance Financial Analysis System. The TAAC contracted with a private sector computer service center for the use of a financial analysis system until midway in the period. This system was utilized by the technical assistance staff to evaluate a client company's current fiscal condition, the impact which various proposed adjustment plans would have on the client's projected fiscal condition, and the firm's capacity to liquidate any loans it might receive as a result of the alternative adjustment plans. The cost/benefit ratio of the system versus professional person-hours to manually calculate these alternatives was quite high. Even with the savings generated by using the service center's system, the contracted system still required extensive operator time to set up each client's analysis. A TAAC staff member developed his own automated system more specific to the needs of the TAAC. The system can be used on TAAC's intelligent terminal. Installation of this internally developed system resulted in further professional time savings and enabled TAAC to eliminate the cost of contracting with the computer service center.

Outreach Data Base. During the program year, the TAAC completed the automation of a computerized outreach data base system. This system utilizes industrial directory computer tapes which can be manipulated to search for potential outreach candidates. Periodically, each state's individual industrial directory tape can be updated to provide current data on the state's manufacturing community. Several options are available in using the system which permit selective outreach efforts.

Southeastern TAAC

EXHIBIT V

ORGANIZATIONAL STRUCTURE



FUTURE PROGRAM DEVELOPMENT

Program development and adjustments in program strategies are directly dependent upon the economic problems encountered by the Trade Adjustment Assistance Center's service region, its "universe" of potentially import-impacted firms, and the dynamic nature of the service region's economic climate and "universe" of firms. Changes in population, the industry mix of the region's industrial base, per capita income relative to the rest of the U.S., the value of the dollar, technological innovation, tariff and quota barriers, and other pertinent factors dictate a periodic reevaluation of the problems of the service region and its "universe" of potentially import-impacted firms.

The economic progress of the eight-state southeastern region compared with the nation in the past two decades is impressive. Employment, personal income, production wages, retail sales, value added by manufacture, and farm income are a few of many economic indices in which the southeastern region displayed annual growth rates higher than the United States. However, although the progress in the last decade has been substantial, the Southeast still lags behind the rest of the country in most key economic indicators.

Per capita income calculated on an area basis provides an indicator of the area's economic welfare, and can be used to measure the extent to which a region trails the rest of the United States. The eight states in the Southeast have had a long history of low per capita income which have always been lower than the national average. In 1960, there was a per capita income gap of $641 between the U.S. and the Southeast, and this gap widened in absolute terms to $723 in 1970. However, in relative terms, there was a dramatic improvement, with the ratio of the southeastern region to the U.S. climbing from 71% in 1960 to 82% in 1970 and to 87% in 1979. Nevertheless, these ratios still were lower than those for any other U.S. region. Unfortunately, projected per capita income trends for the United States and the southeastern region to 1990 indicate an increase in the income gap in absolute terms and a slowing down of the rate of improvement in the region's per capita income as a proportion of the U. S. figure.

The southeastern product base today is not particularly strong. Despite its gains in durable goods manufacturing over the last 20 years, the region still depends heavily on slow growing, nondurable manufacturing for its jobs -- textiles, apparel, food processing, etc. The lagging wage scale in the Southeast is the result of the grip that low-paying industries still have on the region's manufacturing base.

The Southeast has some formidable economic problems not only in manufacturing but also in agribusiness. Farms in the region are smaller in size, less mechanized, less captial intensive, and produce lower farm income than the national average. As a result, a larger proportion of farms in the region have been forced to liquidate by regional competition.

The growth of the region has been very unevenly distributed. Metropolitan areas under 150,000 and non-metropolitan areas increased slowly in the 60's and 70's, while the large metro areas were booming. Non-metropolitan counties suffered declines unless they were favored by metropolitan proximity, recreation-retirement activity, manufacturing or public institutions like state colleges and universities. Simultaneously, the more isolated, non-urban areas of the region, heavily depopulated by the out-migration of the past, suffer from depleted tax resources, inadequate public services and housing, and insufficient economic opportunities.

As for catching up the income gap with the rest of the nation, the region needs to attract high earnings and high technology industries such as electronics and computers which are the waves of the future. The region also needs to greatly enhance the productivity of existing industries through technological innovations. The 1980's will be a decade of research and development. However, there are very few research and development centers in the Southeast. Heavy investments in higher education are the key to success in attracting high technology industries. The relatively low educational standards and the lack of efforts in research and development have placed the region at a real competitive disadvantage in attracting high wage and high technology industries.

The more immediate economic problems facing the region are caused by imports, economic stagnation, inflation, high interest rates, rising energy costs, and declining

productivity. Industries which have been hurt by imports are automobile assembly and manufacturers of: automotive parts, textile and apparel goods, steel and related construction materials, electric and electronic equipment, leather and shoes, etc. Thousands of jobs and millions of wages are lost in the Southeast each year because of imports.

The eight-state Southeast is burdened with various economic problems. The need for regional development efforts is evident. Concerted efforts by public and private agencies in planning the future economic growth patterns and directions are crucial for the well being of the people in the region. (See Appendix I for statistical information on southeastern region demographics).

TAAC Program's Impact on Economic Problems of the Southeastern Region

Though it is limited to assisting those firms which are import-impacted, the program conducted in the southeastern region via the Southeastern Trade Adjustment Assistance Center provides critically needed assistance in overcoming the long-term problems of the region. The TAAC serves many clients based in rural and small metropolitan areas -- those areas which lag behind within the region. Many of the firms serviced are technologically behind their industry, and they are faced with higher labor costs than their foreign competitors. New technologies and equipment afforded these firms via the TAAC program's technical and financial assistance return these firms to economic viability. Other whole industries such as apparel and textiles face productivity problems in competing with imports and must turn to technological innovation as a means of combating import erosion. The assistance to these industries which are prominent in the region is key to maintaining employment and increasing per capita income gains. Introducing clients' employees to higher technology produces in-house training of low-skilled, little-educated workers, and contributes to a better regional work force. In turn, a better work force contributes to the attractiveness of the region for new technology industries developing within the U.S.

Assessment of Universe of Potentially Trade-Impacted Firms

The Southeastern TAAC has located no source to-date which specifically identifies existing and/or potentially import-impacted firms located in the Southeast.

For this reason, TAAC attempts periodically to determine a universe of its own. Only those industries represented by four-digit SIC codes (Standard Industrial Classification System, U. S. Government Office of Statistical Standards) which historically have provided certified firms were included in the study. To conserve space, the results were consolidated into two-digit SIC code groups. The latest study results are presented in Exhibit IV in matrix form by state.

Projected Demand for Outreach and Technical Assistance

Exhibit II projects Certification and Technical Assistance cases in process for the fourth period of operation - July 81 to June 82. Exhibit VI translates those in-process figures for Technical Assistance into expected equivalent cases and the related costs expected for those cases.

Selective averaging of existing cases was used as a basis for the TAAC staff person and consultant days required for each level of assistance and for historical costs to derive the Initial/Diagnostic Assistance and Implementation Assistance case projected costs. The TAAC will continue to attempt to reduce costs and streamline processes by pursuing such alternatives as Basic Ordering Agreements with consultants.

Initial and Implementation Assistance case cost projections are higher than historical levels because of the following:

- Georgia Tech has been forced by the Federal Government to change its method of charging indirect costs. Under the new system, the use of consultants will increase the cost of contracts by up to $2,750. Under the previous method, no indirect cost recovery was associated with the contract method. The TAAC has the alternative of handling all Initial Assistance cases internally, but, by doing so, it will lose the leverage of time afforded as a result of utilizing consultants, a technique recommended by the EDA.

- Inflation has taken its toll on staff and consultant costs and related support costs.

- The level of effort required in Initial/Diagnositc Assistance remains high because EDA/SERO insists on in-depth analyses of prospective loan applicants, and other financing sources require as much or more information than the EDA. Approximately 68% of the SETAAC's Initial Diagnostic Assistance cases still seek loans as a part of the assistance provided, and TAAC has been reluctant to scale down the scope of the diagnostic for this reason.

Southeastern TAAC

EXHIBIT VI

TECHNICAL ASSISTANCE PROJECTIONS - FOURTH PERIOD OF OPERATION

I. Expected Initial/Diagnostic Assistance starts for fourth period:

From existing petitioning firms	20
From cases generated in third year	25
Total starts	80

Expected Implementation Assistance starts for fourth period:

From existing Initial Assistance in-process	5
From Initial Assistance Starts in third year	8
Total starts	13

II. Projected costs of expected Technical Assistance starts:

Phase	Involvement TAAC Staff	Involvement Consultants	Costs*	No. of Cases	Costs
Initial	100%	-	$11,202	22	$ 246,444
Initial	75%	25%	14,975	12	179,700
Initial	30%	70%	15,794	11	173,734
Subtotal					$ 599,278
Implementation	22%	78%	54,024	13	702,313
Total Project Costs					1,302,190

III. Average projected costs of expected Technical Assistance starts for fourth period:

For Initial/Diagnostic Assistance cases	$13,331
For Implementation cases	$54,024

*For calcultations of costs for Initial/Diagnostic Assistance and Implementation Assistance cases, see following page.

EXHIBIT VI, continued

IV. Initial/Diagnostic and Implementation Assistance costs are calculated as follows:

A. Initial/Diagnostic - 100% TAAC Staff

35 days at $155 per day	$5,425
Retirement at 11.11%	602
Travel and supplies	1,200
Total direct costs	7,227
Overhead at 55%	3,975
Total	$11,202

B. Initial Diagnostic - 75% TAAC Staff/25% Consultant

TAAC Staff:	
23 days at $155 per day	$3,565
Retirement at 11.11%	396
Travel and supplies	900
Total direct cost	4,861
Overhead at 55%	2,673
Total Staff	$7,535
Participating Consultant:	
10 days at $400 per day	$4,000
Travel and supplies at 20%	800
Total direct costs	4,800
Overhead at 55%	2,640
Total Consultant	$7,440
Total Staff and Consultant	$14,975

C. Initial/Diagnostic - 30% TAAC/70% Consultant

TAAC Staff:	
10 days at $155	$1,550
Retirement at 11.11%	172
Travel and supplies	500
Total direct costs	2,222
Overhead at 55%	1,222
Total Staff	$3,444

EXHIBIT VI, continued

Participating Consultant:	
20 days at $400 per day	$8,000
Travel and supplies at 20%	1,600
Total direct costs	9,600
Overhead at 55% of first $5,000	2,750
Total Consultant	$12,350
Total Staff and Consultant	$15,794

D. Implementation - 22.5% TAAC/77.5% Consultant

TAAC Staff:	
20 days at $155 per day	$3,410
Retirement at 11.11%	380
Travel and supplies at 20%	758
Total direct costs	4,548
Overhead at 55%	2,501
Total Staff	$7,049
Participating Consultant:	
76 days at $500 per day	$38,000
Travel and supplies at 20%	7,600
Total direct costs	45,600
Overhead at 55% of first $5,000 (on 50% of cases)	1,375
Total Consultant	$46,975
Total Staff and Consultant	$54,024

The level of outreach and certification activity has been directly linked with Technical Assistance case load needs by TAAC management. Utilizing an outreach contact/certified firm ratio of 10%, the TAAC expects to contact between 200 and 300 firms during the fourth period in order to reach its assistance goals.

Future TAAC Activites

Staff/Consultant Mix. Exhibit VI cost calculations display that the TAAC projects contracting for 1,328 consultant person days in the fourth period. Additionally, it expects to contract for 165 University Center person days for a total of 1,493 non-staff professional days contracted in the fourth period. Technical assistance staff person days projected for the period are 2,100 days. The mix is as follows:

	Days		Percent	
Technical Assistance staff		2,220		59.8
Outside:				
Consultants	1,328		35.8	
University center personnel	165		4.4	
Subtotal		1,493		40.2
TOTAL		3,713		100.0

These figures highlight management's strategy of leveraging its staff's time and expertise. Management plans to continue its philosophy of using a core of technical assistance staff for the more common needs of clients and supplementing its staff with consultants for the more exotic client requirements.

Staff Training. This year's refunding budget includes a request for staff training. It is a goal of management to continue to assure up-to-date and quality technical assistance. The TAAC believes that providing its staff with continuing education through seminars and conferences is essential to attaining this goal.

TAAC Management. As mentioned earlier, the management team is now complete by the recent promotion of Mr. Jim Thomas to Associate Program Manager - Technical Assistance. With Mr. Thomas' assumption of the duties related to that

position, Robert Springfield, Program Manager, will have more time to devote to streamlining TAAC activities and engaging in long-term program development.

Included in the projects slated for assessment are the exploration of establishing a Basic Ordering Agreement system to partially replace the current time-consuming contract system, and to partially circumvent the application of overhead charges to consultant contracts. The TAAC envisions that the BOA structure will be used for the smaller consulting efforts in Initial/Diagnostic Assistance. It is in this phase that the overhead application has the greatest impact on cost and where procurement delays are most significant relative to the life of the project.

The envisioned BOA structure will be comprised of about 10 different agreements with individuals and firms of varying functional and industry experience. The management of the TAAC plans to work closely with EDA in reviewing this approach prior to its actual inception.

Also, TAAC management will be heavily involved in revamping its internal accounting system to concur with new federal guidelines on overhead application.

Internal procedures regarding the substance and format of diagnostic proposals, diagnostic overviews, and adjustment plans are being updated and expanded. This update will include any new procedural instructions resulting from the transfer of TAAP to the International Trade Administration. Additionally, it is the first step toward instituting a formal, internal review process for adjustment plans.

Outreach. The "Standardized Telephone Routine" and the automated outreach data base should continue to cut the proportionate amount of time and costs devoted to outreach. The use of these techniques have and should continue to provide equitable state and industry representation.

APPENDIX I

Table 1

POPULATION AND ESTIMATED NET MIGRATION FOR THE EIGHT SOUTHEASTERN STATES, 1960 - 1980

	1980 Census	1970 Census	1960 Census	Change 1960 - 1980 Number	Change 1960 - 1980 %*	Est. Net Migration 1960 - 1970 Number	Est. Net Migration 1960 - 1970 %
Alabama	3,870,251	3,444,165	3,266,740	+ 603,511	18.5	- 233,000	- 7.1
Florida	9,579,963	6,789,443	4,951,560	+ 4,628,403	93.5	+ 1,326,000	+ 26.8
Georgia	5,404,384	4,589,575	3,943,116	+ 1,461,268	37.1	+ 51,000	+ 1.3
Kentucky	3,642,795	3,219,311	3,038,156	+ 604,639	19.9	- 153,000	- 5.0
Mississippi	2,511,491	2,216,912	2,178,141	+ 333,350	15.3	- 267,000	- 12.3
North Carolina	5,847,788	5,082,059	4,556,155	+ 1,291,633	28.3	- 94,000	- 2.1
South Carolina	3,069,825	2,590,516	2,382,594	+ 687,723	28.8	- 149,000	- 6.3
Tennesse	4,545,590	3,924,164	3,567,089	+ 978,501	27.4	- 45,000	- 1.3
Total	38,472,087	31,856,145	27,883,551	+ 10,588,536	38.0	+ 436,000	+ 15.6
United States	225,478,656	203,184,772	179,323,000	46,155,656	25.7	-	-

* Based on population in 1960.

SOURCES: U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 460 and 1980 Census of Population and Housing, preliminary reports, PH C80-P-1.

Table 2

AVERAGE ANNUAL PERCENTAGE CHANGE IN EMPLOYMENT BY SECTOR
FOR THE STATES, SOUTHEASTERN REGION, AND UNITED STATES, 1960 - 1970

Sector	AL	FL	GA	KY	MS	NC	SC	TN	Eight States	U.S.
Mining	-3.6	0	+2.3	-1.7	-0.5	+1.5	+0.6	-0.3	-1.2	-1.3
Contract Construction	+1.2	+4.1	+3.8	+3.7	+4.7	+4.8	+4.5	+3.4	+3.8	+1.6
Manufacturing	+3.7	+5.7	+3.6	+4.6	+5.1	+4.1	+3.9	+4.8	+4.3	+1.5
Transportation and Public Utilities	+1.1	+5.4	+4.6	+1.2	+1.8	+4.3	+4.6	+2.0	+3.5	+1.3
Wholesale & Retail Trade	+2.6	+5.7	+4.7	+2.9	+2.6	+4.6	+3.8	+3.3	+4.2	+3.1
Finance, Insurance and Real Estate	+2.7	+6.1	+5.8	+4.0	+5.6	+6.5	+4.0	+4.5	+5.2	+3.8
Services	+4.5	+8.2	+6.1	+6.2	+5.3	+6.5	+6.1	+5.2	+6.4	+5.7
Government	+3.1	+8.1	+6.0	+5.8	+5.0	+6.2	+5.5	+5.4	+5.8	+5.0
Farm	-4.2	-0.7	-4.5	-3.5	-4.4	-4.2	-6.0	-4.0	-4.1	-3.6
Total	+1.8	+5.7	+3.3	+2.0	+1.0	+2.5	+1.8	+2.6	+2.9	+2.3

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, States and Areas, 1939 - 1970, Bulletin 1370-8, 1971; U.S. Department of Agriculture, Farm Labor (monthly), March issues.

Table 3

SELECTED COMPARISON INDICATORS, UNITED STATES AND SOUTHEASTERN REGION

Indicator	Southeast as Percent of U.S., 1970	Average Annual Percentage Change 1960 - 1970	
		Southeast	U.S.
Population	15.7	1.4	1.3
Employment	14.9	2.9	2.3
Personal Income	12.7	11.9	7.0
Wages of Production Workers	13.5	11.7	6.5
Farm Income	15.6	5.7	5.3
Value Added in Mineral Industries	6.4*	4.4**	4.4**
Value Added by Manufacture	13.4	13.5	8.2
Expenditures for New Plant and Equipment	14.9	16.9	12.1
Construction Contracts Awarded	17.0	13.7	8.8
Lumber Production	19.6	1.3	0.5
Electric Power Production, Total Utility and Industrial	19.0	9.6	9.5
Retail Sales	13.6*	7.0**	5.5**
Deposits, All Banks	9.1	13.9	10.4
Long-Term Savings	10.8	15.9	12.5
Per Capita Personal Income	81.3		
Farm Income Per Farm Employee	66.3		
Production Wages Per Worker	79.3		
Per Capita Retail Sales	86.4*		
Per Capita Bank Deposits	57.8		
Per Capita Long-Term Savings	57.8		
Value Added, Mining/Man Hour	51.6*		
Value Added, Manufacture/Man Hour	78.1		

* 1967
**1958 - 1967

Table 4

PER CAPITA INCOME OF THE EIGHT-STATE REGION AND THE U.S. FOR SELECTED YEARS, 1929 - 1990

Per Capita Income (1967 Dollars)	Eight-State Region	United States
1929	727	1,458
1940	813	1,483
1950	1,372	2,065
1959	1,763	2,441
1969	2,733	3,416
1980	3,908	4,765
1990	5,201	6,166
Percent Change		
1929-1969	276%	134%
1950-1969	99%	65%
1969-1990	90%	81%
Percent of U.S.		
1929	50%	100%
1969	80%	100%
1990	84%	100%

SOURCE: U.S. Department of Commerce, Survey of Current Business, April 1972.