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## **President Eliminates Budget of MEP Program Authorized to Improve Manufacturing Competitiveness**

Washington, D.C. (February 4, 2008) – Today, the President released his fiscal year 2009 proposed budget. In it, he proposes eliminating federal funding for the NIST Hollings Manufacturing Extension Partnership (MEP) program. The proposed budget includes only \$4 million to remain at NIST to complete program close-down and a reduction-in-force of the federal staff who support the program. The NIST MEP program, which was authorized in 1988 by the first President Bush to improve the competitiveness of small and medium-sized manufacturers, is the only government program specifically targeted at the sector. This is the first year that the President has proposed complete program elimination, following five consecutive years of proposed severe cuts, all of which were unsuccessful.

Both Democrats and Republicans in Congress have consistently seen the MEP investment as vital to American manufacturing and, indeed, as one of the *best* among federal investments. The Administration's new request ignores the track record of the program, opposes the bipartisan will of Congress, and turns a blind eye to the pressures facing America's smaller manufacturers as they try to compete in the global market.

The American Small Manufacturers Coalition (ASMC), the trade association of NIST Hollings MEP Centers, has advocated for Congressional support of the program through its members and their manufacturer-clients. Mike Coast, Chairman of the ASMC and President of Michigan's NIST MEP affiliate, argues that 'The President's proposed elimination of the MEP program is not only irresponsible, but contradicts his stated goals. A White House communication dated January 28, 2008, summarizing the recent State of the Union address, talks of the importance of 'Keeping America Competitive in the 21<sup>st</sup> Century'. How committed to this goal can the President really be when he proposes to eliminate the one federal program aimed at doing just that? It's just not a good business decision to eliminate a program that yields a 20-to-1 return to its clients for each federal dollar invested.'

MEP is a network of 59 centers across all 50 states and Puerto Rico, with over 350 locations across the country, providing technical assistance and business support services to America's smaller manufacturers. An independent survey of 4,959 clients served by the program in federal fiscal year 2006 found that MEP clients attributed more than \$1.115 billion in cost savings to the program's assistance, as well as crediting its services with creating or retaining \$6.76 billion in sales. The program also helped manufacturers to create or retain a reported 52,585 jobs and to increase investment by \$1.65 billion.