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President Cuts Budget of Program Authorized to Improve Competitiveness

Washington, D.C. (February 6, 2006) – Today, the President released its fiscal year 2007 proposed budget which called for a 56 percent decrease in federal funding for the NIST Manufacturing Extension Partnership (MEP) program to \$46.3 million. The NIST MEP program, which was authorized in 1988 to improve the competitiveness of small and mid-sized manufacturers, is the only government program specifically targeted for manufacturers. This cut comes as a surprise as the President recently introduced the American Competitiveness Initiative to strengthen the nation's ability to compete in the global economy during his State of the Union Address on January 31, 2006.

The Manufacturing Extension Partnership (MEP) is a network of 59 centers, with over 350 locations across the country and in Puerto Rico, providing technical assistance and business support services to America's small manufacturers. The public/private program, which served 16,448 in fiscal year 2005, achieves more than a ten to one return on federal investment. An independent survey of 4,644 clients served by the program in federal fiscal year 2004 states that MEP clients report over \$721 million in cost savings directly attributed to the program's assistance as well as creating or retaining over \$4.532 billion in sales. The program also helped manufacturers create or retain 43,624 jobs and increase investment of \$941 million back into the economy.

The American Small Manufacturers Coalition (ASMC), the trade association of NIST MEP Centers, have advocated for Congressional support of the program through its members and manufacturing clients. These efforts have resulted in overwhelming bi-partisan support for the program. Mike Coast, Chairman of the ASMC and President of the Michigan Manufacturing Technology Center, the Michigan NIST MEP affiliate, states "The President's request for the MEP program is devastating to American small manufacturers. It shows a clear lack of support for the competitiveness of American small business and the tie of improved industrial competitiveness to the global economy."