United States Senate

[[DATE]]

The Honorable Jeanne Shaheen
Chair
Subcommittee on Commerce, Justice,
Science, and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Jerry Moran
Ranking Member
Subcommittee on Commerce, Justice,
Science, and Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chair Shaheen and Ranking Member Moran:

We appreciate your past support of the Hollings Manufacturing Extension Partnership (MEP) program. As you develop the Fiscal Year (FY) 2023 Commerce, Justice, Science, and Related Agencies appropriations bill, we respectfully request that you increase funding for this program by $125 million. We request that this increase in baseline funding for the program complement any additional funding for an expansion awards program within MEP that may be appropriated through the passage and signing into law of the *Bipartisan Innovation Act*.

The MEP program is our nation's only network of public-private partnerships that supports small- and medium-sized manufacturers in every state and Puerto Rico. Through the MEP program, manufacturers are connected with critical resources that strengthen the competitiveness of the U.S. manufacturing base. Ever critical in the face of supply chain bottlenecks caused by the pandemic, MEP provides support systems that help manufacturers improve supply chain integration, efficiency, productivity, profitability, and job retention.

The MEP program has a proven return on investment for the American economy and American taxpayers. In 2021, the Upjohn Institute for Employment Research found that for every dollar spent on the MEP program in FY2020, the federal government received a $13.60 return on investment. Over the course of FY2021, MEP interacted with 34,300 manufacturers, reporting $14.4 billion in new and retained sales, $1.5 billion in cost savings, $5.2 billion in new capital investments, and the creation and retention of more than 125,700 jobs. Since 1988, the National Institute of Standards and Technology estimates that MEP has worked with over 132,400 manufacturers, leading to $138.8 billion in new sales, $26.2 billion in cost savings, and the creation and retention of over 1.45 million jobs. The MEP program stimulates growth in the manufacturing sector, which already features a strong multiplier effect, while also providing a strong return on investment for American taxpayers. We should strengthen that investment.

MEP has proven to increase its market impact with each additional increase in federal funding throughout its 30-year history. In FY2021, the MEP was able to provide direct assistance to U.S. manufacturing supply chains across several industries to enable future resilience, including to around a quarter of clients connected to the food industry. MEP Centers worked with rural manufacturers as well as underserved populations, including women-owned and minority-owned companies. The requested increase in FY2023 will allow the program to build on this success.

The MEP program is critical to developing our domestic industrial base and resilient supply chains. With an additional $125 million in funding, the MEP program could assist a greater number of smaller-sized manufacturers and help clients better confront the challenges of supply chain bottlenecks. During the pandemic, MEP Program Supplier Scouting services were able to identify U.S. manufacturers capable of supplying critically needed materials, such as personal protective equipment, medical equipment, and supplies. Increased investment would allow the MEP program to expand its efforts to re-shore manufacturers, develop more domestic supply chains, and help the American economy weather future economic shocks.

Investing in this program is an investment in American resiliency. It is a job creating program with a strong return-on-investment of taxpayer dollars. We respectfully request that you continue your support of U.S. manufacturers and provide an additional $125 million in funding for MEP in FY2023.

[[CLOSING]]

[[SIGNATURES]]