

## **Manufacturing partnership tries to regroup**

Staff Report

**CONCORD** — Faced with a 60 percent cut in federal funding, New Hampshire's Manufacturing Extension Partnership (MEP) is looking to cut costs, find alternative means of support and share the burden among other agencies to survive, officials said last week.

Vice president of communications Muriel Mosher said the New Hampshire MEP will see its \$400,000 annual budget pared to about \$120,000, and anticipates layoffs and severe cutbacks. Nonetheless, the organization will keep going, even if on a smaller scale, officials report.

MEP is a federally funded, non-profit nationwide network of centers providing technical and training assistance to small- and medium-sized manufacturers to help them become or remain competitive in the global marketplace.

Mark Godfrey, chairman of the MEP board of directors, said, "I think this is survivable." Godfrey is also president of Felton Brush in Londonderry. He said the cuts come at a time when manufacturing job losses are spiraling out of control and companies continue to move offshore.

While many state governments contribute to their MEP programs, New Hampshire does not, Mosher said. Other sources currently include service fees, grants and private contributions.

Some of the slack will be taken up by a sister agency, the Small Business Development Center.

Unlike MEP, the SBDC, funded by the federal government, is supported with some state money. The center provides one-on-one business counseling for all New Hampshire businesses, said executive director Mary Collins. But she expects a much heavier workload as a result of the MEP cutbacks.

"This will leave a huge hole ... It's been a great partnership and we have successfully put together teams to help New Hampshire manufacturers," Collins said.

The SBDC headquarters is based at the University of New Hampshire.

MEP also may look for help from neighboring states, grants or the private sector, officials said. MEP programs include expertise and services tailored to a company's manufacturing niche, from process improvement and worker training to business practices and technology.

"Loss of the MEP resource at a time when it is most urgently needed by the remaining manufacturing community in the state is being seen as exacerbating an already alarmingly destructive trend," Mosher said. Officials estimate that more than 20,000 manufacturing jobs have been lost in the state since the 1990s.

But despite those losses to overseas competition, MEP has helped preserve or create more than 300 other high-paying jobs in the state, and helped generate \$34.6 million in increased or retained sales for New Hampshire manufacturing firms, according to figures from a national MEP database in Gaithersburg, Md.

The decline in the gross state product in 2000-2001 in New Hampshire was 1.8 percent, but the fall-off in manufacturing was 13.8 percent, more than double the national average, according to the U.S. Dept. of Labor's Bureau of Economic Analysis.

Stuart Arnett, director of economic development for the state Department of Resources and Economic Development, said ways to increase efficiencies in MEP are being sought. Arnett is a member of the MEP board of directors.

Arnett said past attempts to obtain state funding from its operating budget have failed. However, the state does let out contract work to MEP from time to time, Arnett said.

Mosher said the federal Department of Labor reported that 2.93 million manufacturing jobs were lost nationwide since January 1998.

MEP is an affiliate of the National Institute of Standards and Technology under the U.S. Department of Commerce.