

**SNOWE HAILS DECISION BY ADMINISTRATION TO PROVIDE ADDITIONAL FUNDS  
FOR VITAL MANUFACTURING EXTENSION PARTNERSHIP PROGRAM**

(Washington) - U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today hailed the decision by the Office of Management and Budget (OMB) to approve the transfer of \$8.5 million to the struggling Manufacturing Extension Partnership (MEP), an extremely successful federal, state, and private partnership designed to help small manufacturers.

Snowe said the decision to infuse the program with new funding in the final days of fiscal Year 2004 will help restore vital outreach and assistance programs targeted at the nation's small manufacturers. As a result of a funding shortfall this year, the MEP has been forced to close 58 regional offices and trim staff levels by 15 percent.

"This is good news for small manufacturing firms in Maine and across the country that depend on MEP assistance to help them cope with a range of complex issues and to help them lay plans for future growth," Snowe said. "These additional funds, which will be available through the first quarter of Fiscal 2005, will help put the MEP back on track after an uncertain year," Snowe added. "I appreciate the Administration's action on this matter, and the confidence shown in the MEP as a result of this decision."

On September 23, 2004, Snowe and seven of her Senate colleagues sent a letter to OMB Director Josh Bolten urging support for a reprogramming or transfer of funds for the MEP, which received only \$39.6 million for Fiscal Year 2004 - an insufficient amount to maintain the existing network of MEP centers. Complicating the problem, on July 1, 2004, two-thirds of MEP centers came due for funding renewal. The shortfall had a direct impact on the Maine MEP and Maine's MEP Management Services Incorporated, which assists six states with their MEP programs.

Snowe has been a staunch advocate of boosting MEP funding and has led a number of bipartisan initiatives to encourage support for the program. On April 21, Senator Snowe, Senator Jack Reed (D-RI), Senator Herb Kohl (D-WI), Senator Arlen Specter (R-PA), Senator Joe Lieberman (D-CT), and Senator Mike DeWine (R-OH) initiated a bipartisan effort in the Senate to gather support for a letter to the Commerce Department requesting that it reprogram and transfer its funds to help sustain the MEP through the remainder of Fiscal Year 2004.

Additionally, Snowe and Lieberman, Co-Chairs of the Senate Task Force on Manufacturing, led a group of 53 Senators in requesting a funding level of \$106.6 million for the MEP for Fiscal 2005 from the Senate Committee on Appropriations.

In the last four years, MEP projects have resulted in \$1.9 billion of cost savings, \$8.7 billion of sales, and more than 104,000 manufacturing jobs. The MEP is one of the few programs that provides tangible assistance to American manufacturers across the nation, helping them retain and create jobs. The MEP works directly with businesses to streamline operations, integrate new technologies, shorten production times, and lower costs.