

March 18, 2008

The Honorable Barbara A. Mikulski
Chairman Committee on Appropriations
Subcommittee on Commerce, Justice, State, and the Judiciary
Washington, D.C. 20510

The Honorable Richard C. Shelby
Ranking Member
Committee on Appropriations
Subcommittee on Commerce, Justice, State, and the Judiciary
Washington, D.C. 20515

Dear Chairman Mikulski and Ranking Member Shelby:

We – the undersigned associations representing tens of thousands of U.S. manufacturers and millions of employees – respectfully urge you to fund the Manufacturing Extension Partnership (MEP) at \$122 million in the FY 2009 Commerce-Justice-State Appropriations Bill. This is the authorized level included in the recently enacted America COMPETES Act (PL 110-69) and is necessary to ensure the sustainability and growth of our domestic small manufacturing industry and its high-quality jobs.

MEP assists America's small manufacturers and helps boost productivity, sales, investments in modernization and employment. Manufacturing was a significant contributor to the economy's expansion in the 1990's, and small manufacturers are the engines that increase and power productivity and job growth. Small manufacturers employ over 6 million Americans and account for approximately 57 percent of the value of all manufactured goods in the American economy.

MEP is one of the most successful federal/state partnerships in government. MEP clients achieve productivity gains that are more than four times greater than comparable firms that do not receive MEP assistance. Furthermore, MEP clients are increasing sales, hiring workers, and investing in plant modernization. In fiscal year 2006 alone, MEP clients reported 52,585 new or retained workers, sales of \$6.765 billion, cost savings of \$1.115 billion and plant and equipment investments of \$1.65 billion. These results are a direct consequence of clients' MEP assistance.

A \$122 million appropriation for MEP in fiscal year 2009 is critical to the sustainability and growth of our domestic manufacturing sector. The approximately 341,000 small manufacturers account for over half the total value of U.S. production and represent 97 percent of manufacturing establishments. Small manufacturing jobs are high-skilled and high-wage, with manufacturing employees earning 36 percent more than retail employees per hour.

Manufacturing is one of our country's greatest economic strengths and MEP is an invaluable program that helps manufacturers improve productivity and compete in the

global marketplace. Without unwavering strong federal support, MEP will be unable to maintain its mission of serving America's small manufacturers increasing needs. At a time when economic recovery, supply chain reliability for consumer and defense goods, and global competitiveness are national priorities, we believe MEP continues to be a wise investment. We respectfully request that you appropriate \$122 million for MEP in fiscal year 2009.

Respectfully,

Aerospace Industries Association
Alliance for Illinois Manufacturing
American Industrial Extension Alliance (AIEA)
American Small Manufacturers Coalition
AMT - The Association For Manufacturing Technology
Association for Manufacturing Excellence
Associated Industries of Missouri
Automation Federation
Automation Alley
Brevard Workforce Development Board
Capital Area Manufacturing Council
Center for Labor and Community Research
Chicago Manufacturing Renaissance Council
Council for Community and Economic Research (C2ER)
Easter Seals North Texas
Economic Development Commission of Florida's Space Coast
Enterprise Excellence Group—Oklahoma City
Forging Industry Association
Georgia Industry Association
Illinois Manufacturers' Association
Kentucky Association for Economic Development
Louisiana Industrial Development Executives Association (LIDEA)
Maine International Trade Center
Manufacturers Association of Central Florida
Manufacturers' Association of Central Pennsylvania
Manufacturing Association of Northeastern Pennsylvania
Massachusetts Biomedical Initiatives
Metal Treating Institute
Motor & Equipment Manufacturers Association
National Association of Manufacturers
National Council for Advanced Manufacturing (NACFAM)
New Jersey AFL-CIO
New Jersey Business & Industry Association
North Texas Chapter of the National Tooling and Machining Association
Northern Maine Development Commission
Non-Ferrous Founders' Society
Oklahoma State Chamber

Packaging Machinery Manufacturers Association
Pasco Economic Development Council
Polk Manufacturing Association
Precision Machined Products Association
Precision Metalforming Association (PMA)
Saginaw Valley Manufacturers Association
San Antonio Manufacturers Association
Society of Manufacturing Engineers
Steel Founders' Society of America
South Texas Manufacturers Association
Texas Manufacturing Caucus
Tooling and Manufacturing Association
Tooling, Manufacturing & Technologies Association
U.S. Chamber of Commerce
Wiring Harness Manufacturing Association (WHMA)
Wisconsin Manufacturers & Commerce
Wood Machinery Manufacturers of America (WMMA)