

United States Senate

WASHINGTON, DC 20510

December 8, 2004

Joshua B. Bolten
Director, Office of Management and Budget
Old Executive Office Building
17th and Pennsylvania Avenue, NW
Washington, DC 20503

Dear Director Bolten:

We are writing to express our strong support for the Manufacturing Extension Partnership (MEP) Program. We urge you to support a funding level of \$109 million in the President's fiscal year 2006 budget request, which is the level provided by Congress for fiscal year 2005. Each year, MEP Centers help thousands of small manufacturers solve problems, increase productivity and create or retain high-skilled American jobs.

The MEP assists America's small manufacturers and helps boost productivity, sales, investment in modernization, and employment. Manufacturing contributes significantly to the economic growth of our nation's economy, and small manufacturers are the engines that increase productivity and job growth. About 99 percent of the nation's manufacturers are small and mid-sized and they employ over 11 million Americans and account for approximately 55 percent of the value of all manufactured goods in the American economy. The MEP program helps small and mid-sized American manufacturers modernize to compete in the demanding global marketplace, maintain jobs in America, and continue driving a higher standard of living in the United States.

The MEP program is one of the most successful federal/state/private partnerships in government. The MEP's clients experience productivity gains that are more than four times greater than comparable firms that did not receive MEP assistance, which is significant because productivity growth is closely correlated with earnings. Wages, profits, and our standard of living rise as the same worker produces more in the same amount of time. The MEP's clients are increasing sales, hiring workers, and investing in plant modernization. In fiscal year 2003, the MEP's clients reported increased or retained sales of \$1.84 billion, 35,000 new or retained workers, \$681 million in cost savings, and \$940 million invested in new plant and equipment as a direct result of their MEP projects.

Providing \$109 million for the MEP will have significant benefits throughout the United States. The fiscal year 2004 Omnibus Appropriations Act cut funding for the MEP to \$39.6 million. MEP Centers closed 58 regional offices and reduced staffing by 15 percent due to these cuts, which left small manufacturers across the country without invaluable technical and business assistance that helps them remain competitive in the global marketplace. The National Academy of Public Administration (NAPA) found in an evaluation of the MEP Program that the small manufacturing market is underserved in terms of assistance with productivity and performance improvements efforts. Further, NAPA concluded that as the only federal program designed specifically to help small manufacturers, MEP is "uniquely positioned to help create an infrastructure for supporting these firms as the U.S. economy undergoes an enormous economic transition." MEP, however, will only be able to fulfill the needs of the small manufacturing market and meet the challenge of the changing economy, if it receives sufficient funding.

Without the MEP's assistance, many small manufacturers may not thrive. To maintain the program's high level of performance, we respectfully request that you provide \$109 million for the MEP in fiscal year 2006.

Sincerely,



Olympia J. Snowe



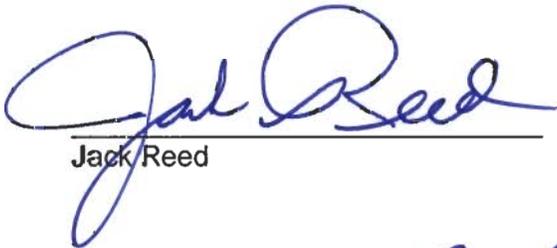
Joseph I. Lieberman



Mike DeWine



Herb Kohl



Jack Reed



Carl Levin



Maria Cantwell



Russell D. Feingold



Lincoln D. Chafee



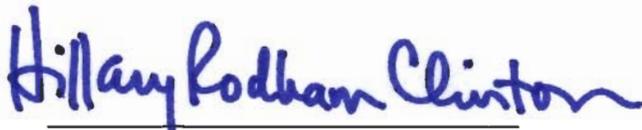
Barbara Boxer



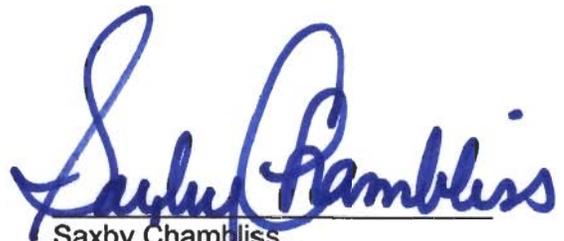
Frank Lautenberg



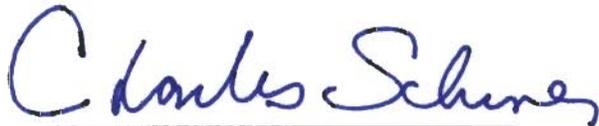
Mary L. Landrieu



Hillary Rodham Clinton



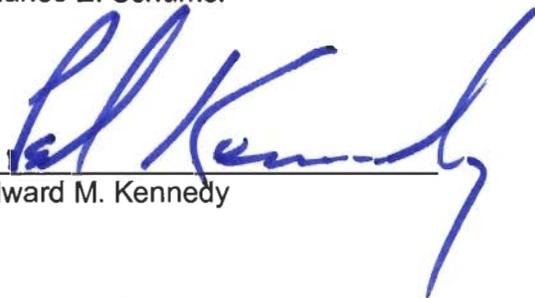
Saxby Chambliss



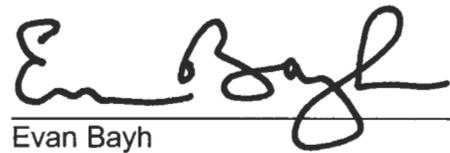
Charles E. Schumer



Max Baucus



Edward M. Kennedy



Evan Bayh



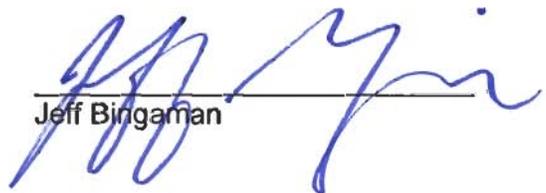
John W. Warner



Ron Wyden



Mark Dayton



Jeff Bingaman



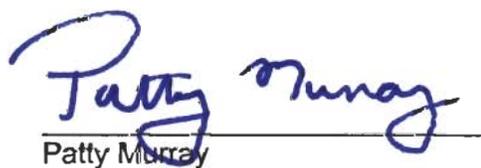
Paul S. Sarbanes



Byron L. Dorgan



Mike Crapo



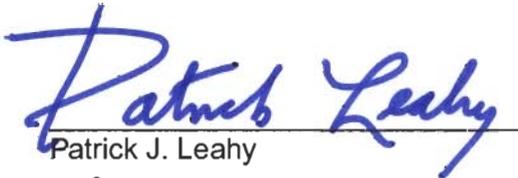
Patty Murray



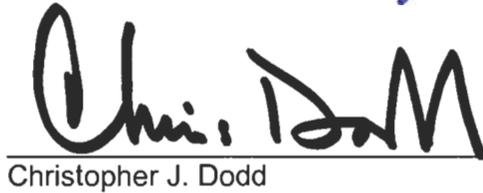
Tom Harkin

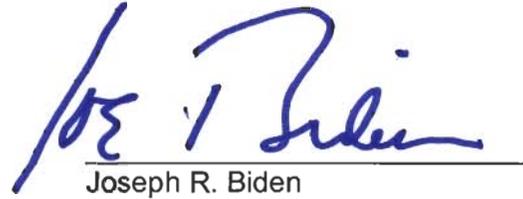


Kent Conrad

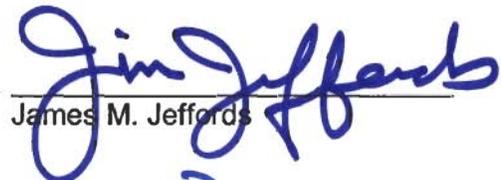

Patrick J. Leahy


Arlen Specter


Christopher J. Dodd


Joseph R. Biden


Blanche L. Lincoln


James M. Jeffords


George Allen


Richard J. Durbin


Thomas R. Carper


Debbie Stabenow


Conrad Burns


John E. Breaux


Susan M. Collins


John F. Kerry


Jeff Sessions

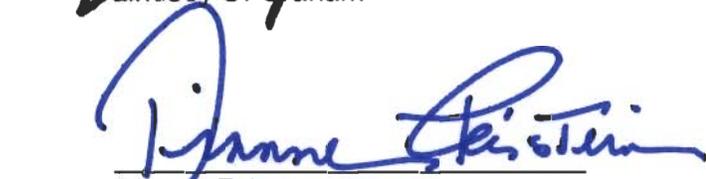

Barbara Mikulski



Lindsey O. Graham



George V. Voinovich



Dianne Feinstein



Mike Enzi