

FOR IMMEDIATE RELEASE
Thursday, May 18, 2006
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SNOWE LEGISLATION ASSISTING SMALL MANUFACTURERS INCLUDED IN AMERICAN COMPETITIVENESS BILL

WASHINGTON, D.C. – The U.S. Senate Committee on Commerce, Science, and Transportation today voted to include an amendment authored by U.S. Senator Olympia J. Snowe (R-ME), to the American Innovation and Competitiveness Act of 2006. Snowe’s legislation would increase the level of authorized funding for the Manufacturing Extension Program (MEP) over the next five years. The MEP is a nationwide network of federally-funded service centers established to assist small manufacturers in becoming globally competitive, supporting greater supply chain integration, and providing access to technology for improved productivity. Snowe chairs the Senate Committee on Small Business and Entrepreneurship and Co-Chairs the Senate Task Force on Manufacturing.

“Manufacturing is the backbone of our nation’s economy,” said Snowe. “At a time when our nation continues to face unprecedented trade deficits and international security challenges, it is our obligation to ensure that our manufacturing sector has the tools to compete in the global marketplace. The MEP plays an invaluable role in ensuring that our nation has a bright and lasting economic future. This program is simply an irreplaceable investment and deserves the strong backing this Committee has provided today.”

Under Snowe’s legislation, funding for the MEP would start at \$110 million for FY 2007 and increase by \$5 million each fiscal year through FY 2011. This amount closely tracks the 3.5 percent average annual inflation rate covering the period since 1914, but also accounts for additional requirements in the current bill.

The MEP leverages federal support by teaming up with state and local organizations to direct its services to meet the specific needs of area manufacturers and producing a 13.1 percent return on investment for the federal government. The MEP assists our nation’s 350,000 small manufacturing establishments that account for nearly 11 million jobs and represent 68.7 percent of all U.S. manufacturing employment. Furthermore, small manufacturing establishments represent approximately 55 percent of the total value-added by all U.S. manufacturing establishments.

The underlying bill, the American Innovation and Competitiveness Act of 2006, responds to recommendations contained in the Council on Competitiveness' Innovate America Report and the National Academies of Science's Rising Above the Gathering Storm Report. In responding to these reports, this legislation focuses on three primary areas of importance to maintaining and improving United States' innovation in the 21st Century: (1) research investment, (2) increasing science and technology talent, and (3) developing an innovation infrastructure.

“Today’s world is becoming more and more interconnected and competitive, and to keep our edge the United States must take the lead in innovation,” said Snowe. “New discoveries lead to new technologies and processes that support better jobs and a higher standard of living. The bill the Commerce Committee passed today supports our country’s capacity to innovate and recognizes that it is the most critical element in ensuring our competitiveness.”

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