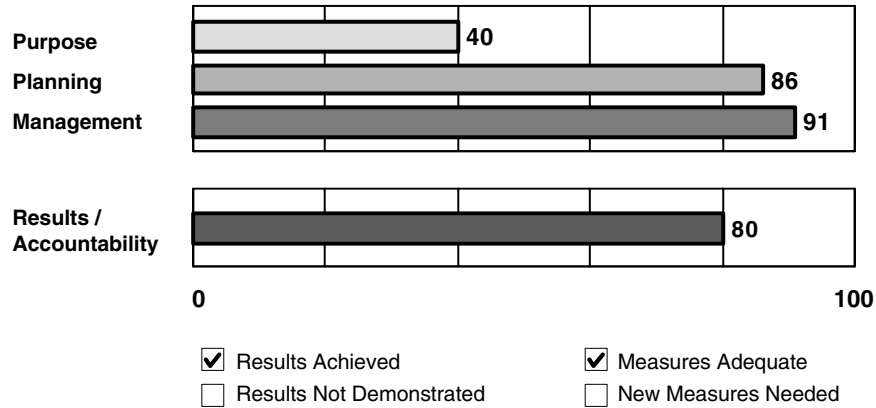


Program: Manufacturing Extension Partnership

Agency: Department of Commerce

Bureau: National Institute of Standards and Technology



Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Annual Measure: Increased sales attributed to MEP assistance (\$ in millions)	1999	443	425
	2000	670	698
	2001	708	
	2002	726	
Annual Measure: Capital investment attributed to MEP assistance (\$ in millions)	1999	359	576
	2000	864	873
	2001	913	
	2002	910	
Annual Measure: Cost savings attributed to MEP assistance (\$ in millions)	1999	New	364
	2000	545	482
	2001	576	
	2002	497	

Rating: Moderately Effective

Program Type: Competitive Grants

Program Summary:

The purpose of the Manufacturing Extension Partnership (MEP) program is to improve the competitiveness of small and medium-sized manufacturers through a nationwide network of approximately 400 centers providing technical assistance and business support services.

1. The program scored well in planning. However, regarding its purpose and design, it is not evident that similar services could not be provided by private entities.
2. The program is well-managed. New MEP centers are established through open competitions, and center activities are closely monitored by the MEP staff for performance.
3. The program has adequate strategic planning goals, and regular reviews are conducted to assess performance.
4. MEP's annual performance measures represent indicators of competitiveness and demonstrate benefits to MEP firms, but it is difficult to identify the impact of MEP on the small manufacturing community as a whole. Ultimately, firms should be willing to pay for the full cost of services that contribute to profitability if they determine the services are worth it. Taxpayer support for MEP services that benefit firms (e.g., increased sales, capital investment, and inventory savings) is unnecessary.

In response to these findings the Budget maintains the 2003 proposal to eliminate federal funding for mature MEP centers. The proposal would restore the program's original authorized funding plan, which called for a phase-out of Federal monies to each center after six years of funding, with the goal of making each center self-sufficient. In assessing the purpose of this program, it is not evident that there is a need for a Federal response in this area.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
107	13	13