

# United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

March 4, 2009

The Honorable Hilda L. Solis  
Secretary  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

Mr. Otto J. Wolff  
Acting Secretary  
U.S. Department of Commerce  
Herbert Clark Hoover Building  
1401 Constitution Avenue, NW  
Washington, DC 20230

Mr. Darryl K. Hairston  
Acting Administrator  
U.S. Small Business Administration  
409 3rd St. SW  
Washington, D.C. 20416

Dear Secretary Solis, Acting Secretary Wolff, and Acting Administrator Hairston:

As Chair and Ranking Member of the Senate Committee on Small Business and Entrepreneurship, we are gravely concerned that our nation's small and medium sized manufacturers are struggling, and we urge your agencies to increase coordination and collaboration in order to prevent the further loss of jobs and small businesses in our communities.

According to the Department of Labor, the manufacturing industry accounted for 33 percent of all mass layoffs in 2008 - up significantly from the previous year. Some parts of the country have been particularly hard hit by this trend. In northern and central Louisiana, at least seven major manufacturing plants have closed or reduced shifts in the last year, leading to the loss of over 1,700 jobs. Last week, another firm, Pilgrim's Pride, announced the loss of an additional 1,300 jobs in April. These figures do not include local businesses negatively affected by the closures, including suppliers or other related businesses. The news in Maine is similarly grim with firms like Fairchild Semiconductor and Verso Paper Corporation recently announcing furloughs and temporary layoffs. Maine's manufacturing industry has shed an alarming 23,600 jobs in the past ten years, nearly thirty percent of the state's manufacturing employment.

During these tough economic times, it is critical that our nation's Federal Departments and Agencies work in unison to address the needs of small and medium manufacturers. As the Small Business Administration (SBA), the Department of Commerce (DOC), and the Department of Labor (DOL) have many complementary programs which can assist these businesses, we urge your agencies to increase coordination and collaboration to help manufacturers survive and prevent further job losses. We also ask that Acting Assistant Secretary of Manufacturing and Services Mary Saunders keep us informed of the Departments' and Agencies' actions toward attaining this goal.

Currently, the SBA, DOC and DOL have programs in place to assist small businesses and workers in the manufacturing industry that have been adversely affected by current economic conditions. For example, the SBA has entrepreneurial development programs such as Small Business Development Centers, Women's Business Centers, Service Corps of Retired Executives (SCORE) and Veterans Business Outreach Centers that provide key counseling and small business assistance. Additionally, the Agency's capital access programs, such as its 7(a), 504 and microloan programs, are *invaluable tools* for small businesses seeking financing.

The DOC's Manufacturing Extension Partnership program plays a crucial role in helping manufacturing firms innovate and remain competitive, and the Trade Adjustment Assistance Program implemented by the DOC and DOL provides critical assistance to firms seeking to become more competitive and to displaced manufacturing workers seeking training. Additionally, the DOL administers countless programs aimed at training a workforce to meet the needs of a changing economy.

In light of the Departments' and Agencies' common goals and the tremendous need to bolster this critical sector, we encourage a more integrated approach between relevant SBA, DOC and DOL programs, particularly as they relate to the areas hardest hit by manufacturing closures. We are aware that coordination already exists within the Federal government. At the same time, we believe that increased communication and cooperation in areas like counseling, training and financing will help ensure that eligible businesses receive the proper assistance they require to survive these difficult economic conditions. As Congress begins the fiscal year 2010 Appropriations process and works to implement provisions of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), we stand ready to assist you should additional resources or authority be required to help streamline and improve coordination of these and other vital programs.

Thank you for your consideration of this request. Should you have any questions or require additional information, please do not hesitate to contact Karen Radermacher on Chair Landrieu's staff at (202) 224-5175 or Matt Walker on Ranking Member Snowe's staff at (202) 224-7884.

Sincerely,

  
Mary I. Landrieu  
Chairwoman

  
Olympia J. Snowe  
Ranking Member

Cc: Ms. Mary Saunders, Acting Assistant Secretary for Manufacturing and Services

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