ADAM SCHIFF
U.S. SENATOR *for* CALIFORNIA

Defend American Manufacturing Act

Since 1988, the Hollings Manufacturing Extension Partnership (MEP), a National Institute of Standards and Technology (NIST) program, has supported thousands of small and medium-sized manufacturers across the country, leading to an estimated $152.2 billion in new sales, $34.2 billion in cost savings, and the retention of 1.7 million jobs. The program helps companies improve productivity, reduce costs, accelerate technology adoption, and strengthen supply chains.

Despite decades of bipartisan support, the MEP program has faced severe operational disruption driven by the current administration: in April 2025, Commerce Secretary Howard Lutnick suspended funding at centers across ten states, publicly characterizing the program as an obsolete initiative.

In the Commerce, Justice, Science, and Related Agencies Appropriations Act of 2026 (Division A of P.L. 119-74), members reaffirmed strong bipartisan support for the MEP program by reallocating $175 million to the program and inserting explicit statutory guardrails prohibiting the agency from reducing the number of active centers or restructuring the network. Despite this, the Department of Commerce has continued to weaponize administrative delays, withholding enacted funding, attaching new restrictive conditions to contract renewals, and pushing back mandatory funding notices by more than six months without a clear path forward.

Because of these actions, nearly 90% of the nation's MEP centers have been forced to implement immediate hiring freezes or staff layoffs.

Further, President Trump's proposed budget for fiscal year 2027 eliminates funding for the MEP program entirely. If left uncorrected, 65,000 domestic manufacturing firms face a total cutoff of technical services and operational support.

Estimated MEP National Network FY 2024 Impacts
- $15 billion in new and retained sales
- $5 billion in new client investments
- $2.6 billion in cost savings
- Over 108,000 jobs created or retained

Senate Bill Summary: The bipartisan Defend American Manufacturing Act, led by Senators Adam Schiff (D-CA), Jon Husted (R-OH), Andy Kim (D-NJ), and Bernie Moreno (R-OH) would require the Department of Commerce to continue operating the MEP program. Additionally, the Senate bill includes provisions to ensure that the Department cannot stall funding, in perpetuity, by placing MEP Centers on probation. Specifically, the Senate bill would:
- Require the Department of Commerce to continue operating the MEP program by executing cooperative agreements, ensuring the Department cannot sidestep the program and stall funding;

- Protect Center funding by prohibiting the Department from suspending, canceling, or not renewing funding to a MEP Center unless the Center operator receives an evaluation other than positive;
- Mandate that a Center operator placed on probation – but actively remedying – continues to receive funding during the probationary period;
- Dictate that the Department must re-evaluate a probationary Center and make a final determination regarding the Center's status within 180 days;
- Force the Department to launch a competition for a new operator within 30 days of canceling a contract, cap the application period at 90 days, and mandate a final award decision within 30 days of closing applications;
- Require the Department to disperse any remaining funding allocated to the previous Center operator to the new Center operator;
- Codify assessments regarding financial management, including fraud monitoring and misuse of funds, as part of the formal "Evaluation of Centers" process.

House Bill Summary: The Defend American Manufacturing Act (H.R. 2832), led by Representative Sharice Davids (D-KS-03), would require the Department of Commerce to continue operating the MEP program, subject to Congressional appropriations.