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Parts Suppliers to Congress: Help Is Needed Now to Save Nation's Largest Manufacturing Sector

WASHINGTON, D.C. – Wes Smith, president of E&E Manufacturing, testified today before the House Small Business Committee at a hearing examining the economic impact of the domestic auto crisis on small suppliers throughout the United States.

Smith's [testimony](#) outlined the stresses that dramatically reduced vehicle sales volumes and a crippling inability to gain access to credit place on smaller suppliers. "For small suppliers, the drop off in industry volumes can actually be greater, the credit freeze tighter, and the customer risk more significant," he stated. He asked the committee to consider authorizing a parts supplier program within the Small Business Administration to address the needs of small suppliers, saying that "assistance targeted to these manufacturers is critical."

The testimony came just days after the Motor & Equipment Manufacturers Association (MEMA) and the Original Equipment Suppliers Association (OESA) warned Congress that the result of the impending Chrysler bankruptcy and planned vehicle manufacturer shutdowns could be a supplier network no longer able to support to vehicle manufacturing in this country. In a [letter](#) to the full U.S. House and Senate, MEMA president and CEO Bob McKenna stated that "during these shutdowns, many suppliers will have no choice but to permanently close their facilities."

The letter urged Congress and the Administration to provide direct financial assistance for suppliers beyond the Auto Supplier Assistance Program announced by the Department of Treasury in March and to immediately pass a short-term incentive program to encourage consumers to purchase new vehicles. "We need to take immediate steps to further protect the supply base," said OESA president and CEO Neil De Koker. "This is a critical time and the stakes could not be much higher. Thousands of good manufacturing jobs and the local economies those jobs support hang in the balance."

MEMA recently released a report entitled *Moving America Part by Part* which shows that parts suppliers constitute the nation's largest manufacturing sector, directly employing over 686,000 people and contributing to more than 3.29 million jobs. Parts suppliers are also the largest manufacturing employer in eight states: Indiana, Kentucky, Michigan, Missouri, Ohio, Oklahoma, South Carolina and Tennessee. For a copy of this report, please [click here](#).

Suppliers manufacture the parts and technology used in the domestic production of millions of new cars and trucks produced each year, and the aftermarket products necessary to repair and maintain more than 247 million vehicles on the road today. MEMA supports its members through its three affiliate associations, Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), and Original Equipment Suppliers Association (OESA). For more information on the motor vehicle parts supplier industry, please visit www.mema.org.