

Congress cannot accept any more losses as a foregone conclusion. This vital sector continues to face tremendous challenges—taking on a significant level of domestic costs that foreign competitors do not, including labor costs, fuel costs, and the regulatory and tax burden. Sadly, as a result, many manufacturers are forced to close their doors or outsource abroad.

The reality is, the manufacturing sector, more than any other sector, drives our Nation's economy—with manufacturers responsible for more than 70 percent of private sector research and manufacturing goods making up over 60 percent of U.S. exports. There is no coincidence that this is a value added industry.

I believe that we can and must fight for our Nation's manufacturers especially when you consider the manufacturing industries pay wages that are about one-third higher than average wages. And that is all the more true for small business when they have resources available that have proven their value, including the SBA which has helped to create or retain over 5.3 million jobs since 1999. And just last year, the manufacturing extension partnership's, MEP's, services helped to create and retain over 35,000 jobs and increase revenue by \$6.25 billion. We must work hand-in-glove with Small Business Administration, SBA, and MEP to bolster our manufacturing base to ensure not only that resources are available to those who wanted to either maintain, grow, or start small businesses.

That is why I introduced an amendment today to the America COMPETES Act that clarifies the MEP non-Federal cost share language to enable the MEP centers to draw down all of their available funding and further enhance their capability and capacity to work with manufacturers.

This amendment clarifies the intent of Congress when it first enacted the statute authorizing the Manufacturing Extension Partnership Program, now known as the Hollings Manufacturing Partnership Program, to provide Federal assistance to manufacturers in the United States.

A key concept in the program is the requirement that each center obtain 50 percent of its capital and annual operating and maintenance costs from sources other than the Federal Government. The National Institute of Standards and Technology, NIST, officials have, in the past, properly considered cost share requirements to have been met when centers partnered or entered into other agreements with other organizations meeting the needs of American manufacturers.

This amendment clarifies and re-emphasizes that such agreements and partnerships, and the money spent by those organizations assisting American manufacturers, clearly are to be considered proper cost share as long as the partnering organization is meeting the programmatic objectives for assistance

to be provided to American manufacturers as set forth for the Hollings Manufacturing Partnership Program. By teaming with such organizations, as encouraged by the original statute, the centers can and do leverage their Federal resources and avoid duplicating services necessary for the successful operation of American manufacturers. With the right resources, many more small manufacturers will be eligible to use this program to help grow their business.

We cannot ignore the effect that countries like China are having on our Nation's manufacturers. In order to compete fairly in this increasingly competitive global market we must ensure that currencies are not strategically manipulated. That is why I will continue to work with the President and those in Congress to ensure that our Nation gets tough with China on those important issues. I continue to pressure the Treasury Department and the U.S. Trade Representative to also work toward that goal China to move toward a market-based exchange rate.

The bottom line is, our country's future will be determined by today's small businesses. The faster we strengthen and sustain our Nation's small manufacturers, the more quickly America's economy will grow.

SMALL BUSINESS' VITAL CONTRIBUTION TO THE ECONOMY

Mr. SNOWE. Mr. President, today I offer a few remarks regarding National Small Business Week, which President Bush designated for April 22–28, 2007. As ranking member of the Senate Committee on Small Business and Entrepreneurship, one of my top priorities is to champion our Nation's small businesses and to promote their needs and concerns. Our top job creators deserve nothing less.

This week, I have already discussed how Congress must solve the small business health insurance crisis and bolster the state of our Nation's small manufacturers. Today, I would like to spend a few minutes on the critical role small businesses play in the American economy. In the back of our minds, we in Congress all know how vital small businesses are to economic growth. But when we come to the floor to speak about small businesses issues, we are generally trying to fix a specific problem. We generally gloss over the overall impact small businesses have on driving our Nation's economy.

The Small Business Administration's Office of Advocacy, an independent voice for small businesses within the Federal Government, has published a wide variety of statistics regarding small firms. This data, which shows that small businesses are responsible for 50 percent of nonfarm economic output, or gross domestic product, clearly reflects how vital small businesses are to job creation and the Nation's economy.

One little known fact is that small businesses represent just about every

private-sector employer in the United States. According to the Office of Advocacy, which defines a small business as an independent employer with fewer than 500 employees, small firms represent 99.7 percent of all employer firms. In 2005, approximately 25.8 million small businesses, 671,800 of which are estimated to have opened in that year alone, were operational and providing consumers and businesses with goods and services. Of these firms, 5.8 million had employees, and 18.6 million were sole proprietorships. In contrast, there were only approximately 17,000 larger business in operation across the country in 2005.

Not only do small businesses account for just about every employer in the United States, but these firms are also job providers. Small businesses employ fully half of all private-sector workers. They also pay more than 45 percent of U.S. private payroll. Of the 113.4 million nonfarm private-sector workers in 2003, 57.4 million were employed by small firms with fewer than 500 employees. Notably, small businesses with fewer than 100 employees accounted for 41 million of that number.

In addition to employing American workers, small businesses are also at the forefront of creating new jobs. Over the last decade, small businesses have generated 60 to 80 percent of net new jobs annually. What is particularly interesting is that in 2003, the most recent year for which complete data is available, small businesses created 1,990,326 net new jobs. In contrast, large firms with 500 or more employees shed 994,667 jobs. Thus, if it were not for small businesses, the economy would have lost jobs in 2003 instead of creating just about 1 million new employment opportunities for America's workforce.

It is vital to point out that the jobs small businesses are creating reflect the needs of a high-tech, innovative, and global marketplace. Small businesses have led the technological revolution and currently employ 41 percent of high-tech workers, including scientists, engineers, and information technology professionals. Moreover, small businesses are constantly creating new products, producing 13 to 14 times more patents per employee than large firms. In addition, these patents are twice as likely as large-firm patents to be among the one percent most often cited. Finally, America's small business are competing on a global scale, comprising 97 percent of all identified exporters and producing 28.6 of total exports in 2004.

The fact is small businesses are the driving force behind our Nation's economic growth creating nearly three-quarters of all net new jobs and employing nearly 51 percent of the private sector workforce. These are the reasons it is so essential that we in Congress continue to support small businesses' ability to grow and expand so that our economy can accelerate forward and create more jobs. I hope we keep this in

mind when we come to the floor to fight for fewer regulations, a lower tax burden, and more affordable and accessible health insurance for small businesses and their employees.

COMBATTING VIOLENCE WITH JOBS FOR YOUTH

Mr. KENNEDY. Mr. President, a recent op-ed article in the Boston Globe emphasizes the severity of the employment problems facing today's youth and its relationship to the increase in gang and gun-related violence in the Nation's cities.

Easy access to guns and other dangerous weapons and the shameful prevalence of drugs are major contributors to this problem, but so too is the lack of job opportunities available for our youth. We have failed to develop job programs that will help these youths build a future without guns and gangs.

In the Globe piece, William Spring, the distinguished former vice president of the Federal Reserve Bank of Boston and a senior member of the domestic policy staff in the Carter administration, and Andrew Sum of Northeastern's Center for Labor Market Studies, argue that although we face a very real problem with youth unemployment, we can do something constructive about it. The only question is whether we have the will and the wisdom to make the investments necessary to enable our youth to seek, find, and take advantage of the job opportunities that can transform their lives and make our communities safer and stronger.

I believe the article will be of interest to all of us in Congress, and I ask unanimous consent that it be printed in the RECORD.

[From the Boston Globe, Apr. 5, 2007]

COMBATTING VIOLENCE WITH JOBS FOR YOUTHS

(By William Spring and Andrew Sum)

During the past few weeks, attention has been focused on the rise in fatal shootings and gang-related activities in Boston. Governor Deval Patrick and Boston Mayor Thomas Menino recently announced joint efforts to combat gang violence, including an expansion in youth summer jobs. Renewed public policy attention to youth labor market problems in Boston and the state is clearly warranted. While the overall number of jobs has increased over the past few years, the labor market for teenagers in both the nation and state has remained extraordinarily weak.

Employment rates for the nation's and state's teens (age 16-19) in 2005 and 2006 were the lowest in the past 50 years. Male high school students and dropouts across the state have found it particularly difficult to find work over the past six years, often increasing their involvement in gang and criminal activities.

To make matters worse, job opportunities for high school youths are distributed unevenly across key demographic and socioeconomic groups. In 2005, white high school youths were twice as likely to work as black youths and 40 percent more likely than His-

panic youths. The need for a concerted set of public policy responses both short-term and long-term is needed.

A variety of favorable educational, social, and labor market outcomes can be generated from an expansion of in-school work opportunities for high school students, especially those from race-ethnic minority and low-income groups.

National research has shown that minority and low-income youths who work in high school are less likely to drop out than their peers who do not work. Students with jobs that offer work-based learning opportunities are more likely to see the relevance of school curriculum to future job performance and remain more committed to their school work.

Teenage women who live in local areas that provide more job opportunities to them are less likely to become pregnant, and male teens are less likely to become involved with the criminal justice system. National, state, and local research also consistently reveals that work in high school facilitates the transition to the labor market upon graduation and increases the annual earnings of youth in their late teens and early 20s.

There are a variety of workforce development strategies that can be pursued to boost employment opportunities for high school students during the regular school year and the summer.

First, the hiring of professional staff to work with students and employers to create work-based learning opportunities, paid internships, and regular job opportunities is important, especially for youth from low-income families and those whose parents do not work. Job brokering services of these career specialists also can broaden the range of jobs by industry and occupation to which high school students can be exposed.

At a minimum, maintaining last year's increased funding for the existing Connecting Activities Program at \$7 million can help local Workforce Investment Boards increase the hiring of staff to work with students and employers to improve teen job prospects. The governor and Legislature should jointly support an increase in funding for such connecting activities and demand strong accountability for performance.

Second, employers who provide work-based learning opportunities and wages for students in school-to-career programs should receive tax credits for their hiring and training of high school students. Many employers provide important staff support and in-kind contributions to such programs and should be rewarded for their efforts.

Third, the governor should encourage all state agencies to promote the hiring of high school students during the summer months, and more of the state's mayors and town managers should follow the lead of Menino in promoting the hiring of their high school students by the private sector.

Fourth, the state should adopt a youth apprenticeship program similar to that of the state of Wisconsin's and more aggressively promote apprenticeship training under the existing system in our state. Young workers in Wisconsin can receive youth apprenticeship training in up to 21 occupational fields under the state's system, thereby providing employers with access to young skilled workers in a structured work/training system.

Massachusetts should aim to become a national leader in both the employment and training of its high school students and out-of-school youth. A more successful youth employment and training system can help promote the future growth and quality of

our state's resident labor force and help stem high levels of out-migration.

REFORMING THE STUDENT LOAN INDUSTRY

Mr. KENNEDY. Mr. President, a column by Joe Nocera from last Saturday's New York Times contains an excellent analysis of the student loan industry and the recent sale of Sallie Mae. We often hear about the rising cost of college and the debt that so many students shoulder to attend college. As this article emphasizes, the industry reaps enormous profits by forcing students to burden themselves with excessive debt.

The recent sale of Sallie Mae illustrates the problem. The company, the largest player in the industry, was purchased earlier this month by private equity firms and banks for an incredible \$25 billion, 50 percent premium over Sallie Mae's stock price.

Financial specialists know how profitable lenders such as Sallie Mae are because of the large Government subsidies these companies receive—subsidies of more than a billion dollars last year. As Congress moves forward with reauthorizing the Higher Education Act, we must look closely at this industry and its practices to ensure that America's students are the ones being served, not just the bottom lines of America's lenders.

Mr. Nocera, a Times' business columnist and former editorial director of Fortune magazine, is widely respected and has won numerous awards for excellence in business journalism. I believe his column will be of interest to all of us in Congress, as we consider the reauthorization of the Higher Education Act, and I ask unanimous consent that his article, "Sallie Mae Offers a Lesson in Cashing In," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 21, 2007]

SALLIE MAE OFFERS A LESSON ON CASHING IN

(By Joe Nocera)

Aren't you just fuming about that Sallie Mae deal?

The company, formally known as the SLM Corporation, which has been the subject of recent exposés and investigations, announced this week that it had agreed to be taken private in a deal worth \$25 billion. The stock, which has been in a slow decline over the last year, leapt. The market was pleased.

But I'm here to tell you that the deal stinks, though not in the usual "management and private equity are stealing your company" kind of way. You're free to disagree, of course, though if you do, you're probably not struggling to put your children through college.

Sallie Mae is the nation's largest student lender; indeed, it dominates the business. It has the biggest share of government-guaranteed loans, originating \$16 billion of such loans last year alone. In 2006, it also generated \$7.4 billion in "private" loans: that is,