UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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U.S. MANUFACTURING COUNCIL

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MEETING

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WEDNESDAY,
JANUARY 20, 2016
11:00 A.M. CT

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Moderator: Archana Sahgal

1 Coordinator: And I just need to remind all parties that the call is being recorded. If you
2 have any objections, you may disconnect at this time. Also, if you do have the
3 mute button, please utilize it during the conference. Otherwise, press the star 6
4 and that will mute your line and unmute your line. Thank you, ma’am.
5
6 Archana Sahgal: Thank you, Operator. And with that, it’s 12 o’clock, and I’ll turn it over to
7 Chair Smyth.
Susan Smyth: Okay. Thank you, Archana. This is Susan Smyth. I'd like to formally open the meeting. I have two announcements to make before I hand over the meeting to Archana to do a roll call.

The first is a formal apology from Claudine Martinez, Vice Chair of the Council. She is actually working with the DOD this morning and is unable to join us. The second is my honor and pleasure to welcome Kathleen, Kathy Kingscott the Vice President of IBM to the council. Kathy is a strong history with industrial sectors import for the Department of Commerce and personally worked with her for a number of years on council recommendations and I know a number of you have. So I would like you to please join me in formally welcoming Kathy to the Manufacturing Council.

Man: Welcome Kathy.

Man: Yes, welcome Kathy.

Woman: Welcome.

Man: Wonderful.

Kathleen Kingscott: Thank you. Thank you very much. I'm really delighted and pleased and appreciate the honor. So thank you.

Susan Smyth: Thank you very much. All right. Now I would like to hand the meeting over to Archana, if she would do a quick roll call.

Jan Allman: I'm here.


Carol Craig: Carol Craig is on.

Archana Sahgal: Welcome.

Archana Sahgal: Brad Crews.

Brad Crews: Here.

Archana Sahgal: Robert Degeneff.

Robert Degeneff: Here.

Archana Sahgal: Craig Freedman.

Craig Freedman: Present.

Archana Sahgal: Morning. Rob Friedland.

Rob Friedland: Here.

Archana Sahgal: Good Morning, Cody Friesen.

Cody Friesen: Present.

Archana Sahgal: Morning. Hiroyuki Fujita.
Hiroyuki Fujita: I'm here. Thank you.

Archana Sahgal: Albert Green.

(Kelly Eisentraub): (Kelly Eisentraub) attending for Dr. Green.

Archana Sahgal: Thank you (Kelly). Dawn Grove.

Dawn Grove: I'm here. Thank you.


(Kathleen Taphousta): I'm here.

Archana Sahgal: Welcome. Claudine Martinez.

(Ruby): This is (Ruby) on behalf of Claudine Martinez.

Archana Sahgal: Thank you (Ruby). Zach Mottl.

Zach Mottl: I'm here. Good morning.

Archana Sahgal: Good morning. Roger Nielsen.

Roger Nielsen: I'm here.

Archana Sahgal: Good morning. Tim O'Meara.

Tim O'Meara: Here. Good morning. Shirish Pareek.

(Micki Field): (Micki Field) attending for Andra Rush.

Archana Sahgal: Hi (Micki). Good morning.

(Micki Field): Good morning, Archana.

Archana Sahgal: Marsha Serlin.

Marsha Serlin: Here.


Susan Smyth: Yes.


Jeff Wilcox: Yes. Good afternoon.

Archana Sahgal: Good afternoon. Thank you. (Lou McWillis). And with that, that concludes the roll call for the Manufacturing Council, but I’d like to ask who from the Department of Commerce is on?

Phillip Singerman: This is Phillip Singerman from NIST, Associate Director for Innovation and Industry Services.

Archana Sahgal: Thank you, Phil. Welcome. Anyone else from DOC on the line?
Dana Smith: Good morning, Archana. This is Dana from the Office of Secretary.

Archana Sahgal: Hi Dana. Thanks so much for participating. Welcome. Anyone else before we turn it back over to Chair Smyth? Great and with that roll call is competed and I turn it back over to Chair Smyth.

Susan Smyth: Thank you very much, Archana. Just a reminder to everyone, our primary objective of this meeting is to discuss and hopefully pass the IRD recommendation letter, so I am going to pass the meeting over Jeff Wilcox. I'm not sure if Christie Wong Barrett has joined.

Christie Wong Barrett: Hi there. Sorry for being a few minutes late. I am on the phone.

Susan Smyth: Oh, that's wonderful Christie. Thank you. So then, I'll pass the meeting over to yourself and Jeff and what we need you to do is to provide content for the letter.

We need you to overview the key points of the IRD recommendations and also if you could simply review the feedback that you've received from the various council matt - excuse me - various council members regarding the letter and share how you have addressed or incorporated that feedback into the letter or not, as the case may be. I'd like to hand the meeting over to you.

Jeff Wilcox: Yes. Thank you, Susan. This is Jeff. I have the pleasure of presenting this letter on behalf of our entire IRD subcommittee. Appreciated everybody's review and comments and I will hit all the points that you just asked us to cover.
I guess first of all I'd start by saying I think we all - I think I speak for all of us in saying that we really enjoyed and learned a lot in discussing the NNMI centers and the RAMI Legislation and how they'll all operating today.

That we all felt that these are really important public-private partnerships for the nation to foster and help make sure they succeed along the lines of what (Freihofefer)'s done in Germany or catapulting the U.K. or rather similar activities around the world.

We kind of started out our letter with that point. We thought it was important to make a strong endorsement of the NNMI construct as embodied in RAMI. We also specifically endorsed the concept of an open source call.

A fair amount of conversation when into that. There was some input related to I'll say I don't want to say concerns, but just noting that the DOD and the DOE had already kind of put up broad calls.

But we felt that those innovations communities that were reached and not necessarily addressed the full breadth of potential innovation and manufacturing throughout the nation.

And so I think it's important that we particularly endorse the concept of an open source call through the DOC activities related to the new centers. I would say that this letter that we put together after that background does walk through recommendations on how to proceed on based how extensive set of interviews with stakeholders.

And other expert interviews and those are provided separately the folks we talked to as part of this activity. Our recommendations were specifically organized into three phases. The first was the call for ideas.
We recommended as I mentioned it's really challenging but important that we reach nontraditional responders with this particular call. So we recommended that DOC reach deeply into all the different innovation communities that are out there.

We put forth some ideas for how communication channels might be set up so that that happens. So that we're able to reach a broad set of individuals. We also included ex-ax - they include expectations for what is a strong offering.

We make a number of suggestions there. It was an observation of all of ours that if you're trying to reach nontraditional entities, they're not necessarily familiar with how to do business with the government.

And so helping them understand what is - what does constitute a strong offering. I think it's important to be done in the initial communication. We also focused on the importance of having a low barrier to entry, again for that same reason.

We didn't want people to have to jump through a lot of hoops in order to put some ideas into the system. So we proposed an initial short form response of some sort to get ideas from a wide array of people into the conversation and put before a review panel.

We provided some - we also suggested that the offering provides some best practices from the existing centers, as DOC deems appropriate. There's also a specific reference in there to IP ownership.
There were several of us that wanted to make sure that IP was addressed. It's been a challenge in some of the existing centers with respect to how the member entities are able to best engage.

So there is a comment in the letter specifically about ensuring that there's an IP strategy which will encourage manufacturer responses and contributions. We also recommend that the initial call focus on those AMP 2.0 technologies not yet addressed.

If you look at the list that came out of AMP 2.0, I'm going to say that about two-thirds of them are already topics of existing centers. But that means there are some technologies out there which are not being represented in the existing public-private partnership.

Moving on to Page 2, we then recommended there be an initial filtering and topic prioritization. We don't want to presuppose we know what ideas will come in. There's all different sorts of manufacturing, of course.

And so it's important to first select a lot of ideas. And then prioritize them with the review panel. We made a recommendation on - first of all, that review panel be - include individuals from industry academia and government. That's critical for the success of any of the private partnership, of course.

And we also list a number of possible groups from which reviewers might be drawn as this goes forward. And also that those ideas get prioritized in a public forum for comment.
And then get down to some manageable numbers for a full proposal call which is phase three. And then there's some comments in there related to the phase three full evaluation and what that might look like.

I will say that we got two comments that I would call substantive. The number of course related to just typos and that sort of thing. And the first actually came from NIST.

It was a recommendation that we reword how we were putting forward the notion of what reviewing organizations might be for the initial call for ideas. There was some concern that it looked like we were endorsing specific groups and suggesting the misuse of for reviewing organizations.

That wasn't the intent. The intent was just that these are essentially Rolodexes if you look at those groups of accomplished and thoughtful manufacturing leaders from academia industry and government, and that should be the set of reviewers he considered those various Rolodexes be considered as possible reviewers.

So we made that change in the wording from the initial draft that went out. That's in the final copy you all had sent out, I believe Monday night, if not yesterday morning. The other change we had to do with mentioning the importance of a demonstrated a path to commercialization.

We wanted it to be clear that there was a reviewer comment that we make it clear that a successful offering really should demonstrate a path to commercialization. And we included that as one of the endnotes as we were looking at specifics related to the call that would go out. So those are the highlights. Those were the two significant requests that we had for changes.
They were both incorporated in the final document that we put before you today. And with that, I'll pause and ask if any of the - Christie or any of the IRB subcommittee members present have any additional comment.

Christie Wong Barrett: Thank you, Jeff. That was a perfect summary. I have nothing to add.

Irwin Shur: Hi. It's Irwin. I have nothing to add except to note that I did join the call about a half a minute before Jeff started his summary.

Jeff Wilcox: Thanks, Irwin.

Dawn Grove: And Jeff Dawn Grove again, great job on the letter for your leadership in that and the team in general.

Kathy Kingscott: I think it looks fine too. This is Kathy.

Jeff Wilcox: And with that, I'll open it up to the floor. All council at your discretion - Susan as how you want to...

Susan Smyth: Okay.

Jeff Wilcox: ...proceed with consideration.

Susan Smyth: Okay. Thank you, Jeff, Christie and also special thanks for Irwin, Dawn, Kathy and Al. I'd like to formally engage a response from each of the members. So this can be a comment, discussion or at a minimum just a general statement of support for the IRD recommendation for Archana. If you could use the roll call to walk through the individual council members for comments or and/or statement of support.
Archana Sahgal: Thank you. Jan Allman.

Jan Allman: No, I don't have any questions. I think the team did a really good job.

Archana Sahgal: Thank you, and I will skip over the IRD subcommittee since they don't vote. Carol Craig. Any other comments? Brad Crews.

Carol Craig: Sorry. No comment. Sorry, I was on the other...


Brad Crews: Agree.

Archana Sahgal: Thank you. Robert Degeneff.

Robert Degeneff: No comments. I thought they did a fine job. I would support.

Archana Sahgal: Craig Freedman.

Craig Freedman: Nice job. No comments, thank you.

Archana Sahgal: Thank you. Rob Friedland.

Rob Friedland: No additional comments. I support.

Archana Sahgal: Thank you. Cody Friesen.

Archana Sahgal: Thank you. Hiroyuki Fujita.

Hiroyuki Fujita: Great job. I support a lot of (unintelligible) conversations.

Archana Sahgal: Thank you. Al Green.

Al Green: Dr. Green supports the letter.

Archana Sahgal: Thank you (Kelly). Dawn Grove.

Dawn Grove: Yes, I support the letter.

Archana Sahgal: Thank you. Kathy Kingscott already weighed in. (Ruby) for Claudine Martinez.

(Ruby): No comment. Full support.

Archana Sahgal: Thank you. Zach Mottl.

Zach Mottl: Congratulations. Nice work. I support the letter. Thank you.

Archana Sahgal: Roger Nielsen.

Roger Nielsen: The letter has my full support and again thanks for the sub-committee for putting it together.

Archana Sahgal: Thank you. Tim O'Meara.

Tim O'Meara: Full support and great job.
Archana Sahgal: Thank you. Shirish Pareek.

Shirish Pareek: I'm in support and great job by Jeff and his team. Thank you.

Archana Sahgal: Thank you. (Micki Field) for Andra Rush.

(Micki Field): Rush fully supports. Wonderful job.

Archana Sahgal: Thank you. Marsha Serlin.

Marsha Serlin: I support and great job for the committee.

Archana Sahgal: Thank you. And we heard from Irwin Shur. Susan Smyth.

Susan Smyth: Yes. I think it was an excellent piece of work. I think it was very significant dialog and an extremely well thought out. I want to really applaud the IRD subcommittee for the community outreach and also the effort with regard to face to face interaction with the NNMI.

So it was a phenomenal amount of work that I'm aware of that was happening in the background. I would personally like to thank you for including the footnotes on the robust past commercialization. I think that is an essential part of the success strategy, and I fully support the letter.

Archana Sahgal: Thank you, Susan. And with that, perhaps I turn to my DOC colleagues to see if they have any comments or any questions. Dana Smith and Phil Singerman.

Dana Smith: This is Dana. I will defer to Phil as the NIST representative.
Phillip Singerman: Okay. Thank you, Dana. First, I want to thank the entire council and the IRD committee for your collective and individual support and organizational support of this program.

And for including us in the dialog over your recommendations. We’ve had the benefit of very detailed discussions with the full committee. And we’ve also had communications and discussions individually with the co-chairs and other members. So I want to again thank you for very much for including us in the process.

And for the really excellent and helpful guides that, your letter provides. What I’d like to do is if Susan you think it would be useful to give you an update on the status on both the NNMI program in general and the DOC plans to execute on the two institutes that we have funding for in this year. Would that be useful?

Susan Smyth: I think that would be extremely useful. I’m going to defer to Archana with regards to the vote. Should be vote first Archana or engage the dialog with Phil?

Archana Sahgal: I think that a vote would be appropriate. And then moving to a update from our colleagues from there.

Susan Smyth: Okay. So with that recommendation so I am going to ask the entire council, are there any objections to adopting to the new recommendations? Okay hearing none, I proclaim the recommendation adopted by the manufacturing council. Thank you (unintelligible).
Okay. Thank you. Phil, we'd be delighted to hear the update. And again thank you for the role you and your team did with regard to supporting the dialogue at length.

Phillip Singerman: Thank you. And Mike Molnar would be with us today, but he's giving a briefing internally to our NIST colleagues on the status of the program. I want to talk about two things.

First the status of the existing institutes and the plans for solicitations and then turn to DOC. So I think members of this group know that to date there are seven - three, four, five, six, - six institutes that have been stood up by the Department of Defense and the Department of Energy.

And there are three solicitations in process by those two agencies. And so shortly, there will be based upon prior authorizations and appropriations - nine institutes that are operational.

In addition, each of those two agencies, DOD and DOE are planning to solicit for two new institutes each so a total of four in this calendar year.

DOD issued a request for information in mid-December in which they identified areas of interest to them, and they're soliciting stakeholder comment on the industry's interest, the capability of interest - industry to respond to these.

And that's their process for determining which of their many, many topics they want to focus on in more singular solicitations. That's their normal process. That request for information is available on our Web site.
manufacturing.gov where we post all the relevant information. So that's the
status of the DOD and DOE solicitation.

Are there any questions about that before I turn to the Department of
Commerce's plans? Okay so as members of this body may recall in the fall of
2014 the Congress passed the RAMI Legislation, which authorized commerce
to coordinate network activities among the institutes. And also, to support the
development of commerce funding institutes. Funding was provided in the
fiscal 16 budget, which was approved this past fall 2015.

Man: This was the last of the manufacturing council talking about the new...

Phillip Singerman: I beg your pardon.

Man: Sorry about that.

Phillip Singerman: Shall I continue?

Susan Smyth: Please continue Phil.

Phillip Singerman: So we were appropriated $25 million of which $5 million will go to
support network coordination and support - network coordination activities
and $20 million is available for the selection of up to 2 commerce-funded
institutes.

And one of the notional models for the institute program is $70 million - a
minimum of $70 million over 5 to 7 years. So $10 million a year for 7 years
per institute will achieve that objective.
So that’s the basis for saying that we could fund up to 2 institutes with $20 million. It will, of course, depend upon the quality of the proposals that we receive. We issued a notice of intent to fund the institutes in December 22, I think, or 23rd. That’s also available on manufacturing.gov.

And that was intended to start industry thinking and this the community thinking as early as we have authority to let them know that we were proceeding along this path about the DOC institutes.

And as mentioned, that too is available on manufacturing.gov. And at the highest level, the program includes a two-stage process. A short pre-application, no longer than 20 pages.

And then a down select and then full - longer full applications with the goal of completing the process by within 12 months by January of 2017. An important point that was the subject of a lot of internal and external - certain internal discussions was the notion of open topics.

And if you were to look at the Notice of Intent, you would see that we signaled that there were two topic areas that had not been fully of the AMP recommendation that had not been fully addressed.

One in bio manufacturing and one in robotics. We have - there is a good rationale for including that as examples of the kind of proposal that we’re interested in, but it was clear - it became apparent that it was confusing to the community.

Because, on the one hand, we were saying that they're open - there's an open competition. There's no preselection. It's not like DOD or DOE where it is driven by the agencies mission, and there's a single topic for solicitation.
That that was confused by the note - by the examples that we put forth. So you will see when the federal register notice and the federal funding opportunity comes out that there's no mention whatsoever of any preselected topic other than we want topics as Jeff mentioned that are not currently covered by existing or institutes under current solicitation.

But we wanted to make it clear that there's no preference. There's no preselection. That we're looking for the best proposals from industry regardless of the technology and the industrial focus. That's a change of from the Notice Of Intent, and I wanted to make everybody clear about that.

Susan Smyth: Thanks. That sound great, Phil. Appreciate the update. It sounds like the IRD recommendation is very plainly...

Phillip Singerman: Yes.

Susan Smyth: ...and that there's really good alignment with the outline that Jeff proposed. I'm just going to quickly open. We only have a few minutes, and I'm going to quickly open to the IRD for any response or comment back to Phil.

Woman: Just thank you very much, Phil, for the update on the progress from this and the advancement (unintelligible). It's exciting to see the pace of activity by the administration and the alignment with the letters of recommendation that come out of the council. So it's very reassuring. Thank you.

Man: Yes, I'd also like to thank Phil for his time over the last several months as we put this together and his thoughtful inputs. I guess I would add real quick as we wrapped up the topic, we do have two best of notes, I'd say which are open, and we're considering putting forward in some form going forward.
One is ideas for network coordination/governess. I think that is also addressed in RAMI. And we do see some benefit and need for (unintelligible) structure related to coordination of all the different NNMI as they come online.

And then second looking at some sort of a best practice guide which is more of a white paper as was discussed earlier. Council meetings so we can make sure that all the benefit of those conversations and experiences we've had are on their way into written form as best practice guide. That'll wrap up our engagement with the NNMI topic.

Man: And we look forward to those to your reports on those subjects.

Susan Smyth: Okay. So thank you very much, everybody. We have three minutes and in those three minutes, I would like to move to a difference topic. We have the Winter Manufacturing Council Meeting Update, and it's going to be April 11 and 12 in Cleveland, Ohio. I would like to thank Dr. (Noel Pachiga) for co-hosting, and Phil just open the floor to you for a minute or two for comments.

Dr. (Noel Pachiga): Okay. Thank you, Chair Smyth. So as you notified, we are planning to have next council meeting in Cleveland on April 11 which is Monday and then April 12 Tuesday.

So we have been, you know, communicating with the union club in Cleveland which is a wonderful city to host different kinds of meetings, board meetings. So that's going to be the venue.

And also the establishment. There'll be some hotels there. Some hotels so as soon as we have more details, we can start producing the, you know, the
reservation information so that technically speaking you can just walk to the
union club in a minute or so. So and then as we come together, we're
going to have more details for the activities and some social events. So please
stay tuned.

Susan Smyth: Okay. Thank you very much. Really looking forward to face to face in
Cleveland and it's really going to help us finalize some more of our
recommendation letters and position of for one of our final engagements
which will be DC in the June timeframe.

And I will Archana will reach out to you and ask for support in locking in
those June meetings as soon as possible. We have exactly one minute left.
And I would like to open the meeting for any open issues to put on the table or
comments before I officially close.

Rob Friedland: This is - this is Rob Friedland. I just have one question. In past calls, we've
talked about the Hanover Trade Fair, and I know there was some activities. I
think at Commerce should sort of coordinate what companies at the council
might be there at the Trade Fair.

And I know recently the president has announced that he is planning to attend.
That the Trade Fair to open it with my assumption the Secretary. And I guess
is there anyone - who is the right person that Commerce is coordinating that?
Archana, maybe I missed that or it's changed.

Archana Sahgal: Hi, Rob. Thank you so much for your question. In fact, that is correct. The
president has announced a few weeks ago that he will be attending the
Hanover Messe in April.
And my plan is to share information about Hanover and opportunities for the many section council to participate in some of the formal events, and I will share that with you in the next week and half or so.

My colleague (Pat Sweeney) within Industry and Analysis is the lead for our team. So I'll get more information to the full council before the Messe. If you need anything before that Rob, let's talk offline. But I will share information with the full council shortly.

Susan Smyth: Good point Rob. Thanks for bringing it up. That was a good catch. Any other quick questions or comments? Okay with that, I would like to formally adjourn the meeting. Thank everyone for their participation and also formally thank the IRD team again for such excellent work. And also Dana and Phil thank you for joining the call. Much appreciated.

Man: It was a pleasure.

Woman: Yes. Thank you.

Woman: Archana, thank you.

Woman: Bye.

Archana Sahgal: Hello, this is Archana. Bye, everyone.

Woman: Bye.

Woman: Bye-bye.
Jenny Houston: Archana, this is Jenny Houston. I didn't want to interrupt for the roll call. I just wanted to let you know that I was on.

Archana Sahgal: Thank you, Jenny. Well done. Jenny, thank you so much. And (unintelligible) a happy new year. And I have you marked now that you attended.

Man: Hi Jenny.

Susan Smyth: Thank you, Jenny.

Jenny Houston: Happy New Year. Bye-bye.


END