

U.S. MANUFACTURING COUNCIL

DOC Building  
14th & Constitution Avenue, N.W.  
Washington, DC

Tuesday,  
April 29, 2014

The meeting was convened, pursuant to notice,  
at 10:11 a.m., MR. MIKE LASZKIEWICZ, Council Chair,  
presiding.

APPEARANCES:

MEMBERS OF THE COUNCIL:

MS. MARY ISBISTER, Council Vice Chair  
President  
GenMet

MR. JOSEPH B. ANDERSON, JR.  
Chairman and CEO  
TAG Holdings, LLC

MS. CHRISTIE WONG BARRETT  
CEO  
MacArthur Corporation

MR. GREGORY W. BOOTH  
President & CEO  
Zippo Manufacturing Company

MR. STEPHAN G. BRAIG  
President & CEO

Trexel Incorporated

MR. CODY FRIESEN  
President and Chief Technical Officer  
Fluidic Energy

DR. ALBERT M. GREEN  
CEO  
Kent Displays Incorporated

MR. ERIC L. KELLY  
President & CEO  
Overland Storage

MR. SHIRISH PAREEK  
Founder & CEO  
Hydraulex Global

MS. ANDRA RUSH  
CEO  
The Rush Group

MR. AVRAM SAUNDERS  
President & CEO  
Lightning Eliminators & Consultants

MS. SUSAN SMYTH  
Director  
Manufacturing Systems Lab  
General Motors Company

MR. ROY SWEATMAN  
President  
Southern Manufacturing Technologies  
Incorporated

MR. JEFF WILCOX  
Vice President - Engineering  
Lockheed Martin Corporation

MS. BETH WILLIAMS  
President & CEO  
Roxbury Technology

MS. CAROL WILLIAMS  
Executive Vice President - Manufacturing  
& Engineering, Supply Chain and  
Environmental, Health & Safety Operations

The Dow Chemical Company

MR. LUDWIG WILLISCH  
President & CEO  
BMW North America

MR. BILL YEARGIN  
President & CEO  
Correct Craft

BILL ZAHNER  
President & CEO  
A. Zahner Company

ALSO PRESENT:

HON. PENNY PRITZKER  
Secretary of Commerce

MR. MATT ERSKINE  
Acting Assistant Secretary of Commerce

MR. KEN HYATT  
Under Secretary for Commerce  
International Trade Administration

MS. GERRI FIALA  
Deputy Assistant Secretary for Employment and  
Training Administration

MR. JOHAN UVIN  
Principal Deputy Assistant Secretary  
Department of Education

MR. ROGER KILMER  
Chief Manufacturing Officer

MS. JENNA PILAT  
Department of Commerce

MS. LIZ EMANUEL  
Department of Commerce

MR. VINAJ THUMMALAPALLY  
Executive Director, Select USA  
International Trade Administration  
Department of Commerce

MR. MARK JOHNSON  
Department of Energy

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P R O C E E D I N G S

**OPENING REMARKS & INTRODUCTIONS**

Mike Laszkiewicz, Council Chair

Mary Isbister, Council Vice Chair

CHAIRMAN LASZKIEWICZ: Good morning, everyone. Hello. For those of you who don't know me, I'm Mike Laszkiewicz. I'm the chair. Most of you, I know. It's good to see you all again.

The Secretary is running a few minutes behind and we've decided that we're going to just take a few more minutes before we officially start the meeting. I believe her schedule will still end at 11:00. So please get yourself a coffee. If you need to use the washroom, do that. I think we have about 10 more minutes. So, very good.

(Whereupon, at 10:11 a.m. the meeting went off the record and resumed back on the record at 10:15 a.m.)

CHAIRMAN LASZKIEWICZ: I'd like to call the Manufacturing Council meeting to order. Thank you, everyone, for making it to Washington, DC, on this beautiful morning in April.

SECRETARY PRITZKER: That's an optimistic statement.

1           CHAIRMAN LASZKIEWICZ: Secretary Pritzker,  
2 thank you for being with us. Secretary, today we have  
3 a good deal of work that we hope to present and discuss  
4 to you. Our objective is to provide final review and  
5 hopefully get full Council approval on three letters of  
6 recommendation.

7           We want to note how appreciative we are as  
8 business leaders that we have had such a good  
9 collaboration with the Commerce Department. The  
10 Commerce Department has really done yeoman's work in  
11 helping us gain access to other stakeholders inside the  
12 government, in the academic area, as well as other  
13 resources that have helped us in our due diligence as  
14 we have put together our recommendations.

15           I would also like to acknowledge the  
16 subcommittees and their leadership. The time and  
17 energy these members have put into this work is really  
18 quite notable. These are business leaders working very  
19 hard to ensure the success of their businesses, create  
20 high-value jobs and value to the U.S. economy, yet they  
21 find the time to bring passion and great energy to the  
22 development of recommendations that they believe will  
23 significantly support and enable U.S. manufacturing  
24 competitiveness.

25           So with that, I would like to quickly ask

1 everyone as a member to introduce themselves before we  
2 introduce the Secretary. So Bill, if you wouldn't mind  
3 starting.

4 (Whereupon, the Manufacturing Council members  
5 introduced themselves.)

6 CHAIRMAN LASZKIEWICZ: Madam Secretary, again,  
7 I just would like to call out Chandra, Liz and Jenna.  
8 Their work in support of our teams, their coordination,  
9 the hours and the energy they put into our support has  
10 been nothing short of outstanding, so thank you for  
11 that support.

12 I would like to give you the floor at this  
13 point.

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**DEPARTMENT OF COMMERCE UPDATE**

Hon. Penny Pritzker, Secretary of Commerce

SECRETARY PRITZKER: Thank you. I will be brief. But first of all I just want to say thank you all for all of your work. It is extremely important. As I know you know from some of the feedback that you got from my team yesterday, I read your letters and it sounds like you had robust conversations yesterday.

I know that you did some editing to the work in your letters which makes me realize not just how much work has gone into it, but how responsive all of you are to issues that we raised. So we really appreciate this kind of collaborative work that is going on, so thank you very much.

One of my first duties when I took this office was to come to your meeting last July and I have not only appreciated your work then, but I have come to really, really appreciate the work and, frankly, to come to recognize how important it is for us to have this kind of interaction on a regular basis. You really do help shape what happens, where we focus, and our policies.

So despite what is often written in the newspaper, this is not, write a report and put it on a

1 shelf so it collects dust or sitting in some server  
2 somewhere, but rather, you are very much impacting how  
3 and in what direction we are going, both at the  
4 Department of Commerce and general manufacturing policy  
5 throughout the government, including--I'll speak a  
6 little bit on behalf of the Department of Labor--your  
7 recommendations have been very influential in terms of  
8 how we proceeded with a number of the programs where we  
9 have partnered with the Department of Labor as well.

10 So a couple of weeks ago we had a fly-in of 50  
11 manufacturers for a day that came in for a Business  
12 Council meeting. I went to that meeting for a bit and  
13 we talked there about the need for legislation,  
14 innovation legislation around the National Network of  
15 Manufacturing.

16 We talked about our request to increase  
17 funding for the Manufacturing Extension Partnerships,  
18 the need for manufacturers to partner with community  
19 colleges and other training providers and their local  
20 governments to really change the way we do training in  
21 this country to be job driven or industry driven,  
22 depending upon how you want to refer to it.

23 I was pleased to go with the President and  
24 members of the Labor Department to Pittsburgh where the  
25 announcements were made about the new TACT grants,

1 which require not only that there is industry presence  
2 in the community college grants but also that there is  
3 not just business presence, but that industry  
4 associations are also involved in the creation of  
5 credentials and the programs that are being taught so  
6 that they can become nationally utilized curricula.

7 We also announced a \$100 million grant for the  
8 apprenticeship program. Then I also, when I was  
9 talking, talked about the importance of improving  
10 letters -- not letters, but the image of manufacturing.

11 So much of what I am talking about is the agenda that  
12 you all have set out.

13 As I was thinking about and reviewing the  
14 materials a couple of nights ago, I was thinking how  
15 much I have learned from you about, what are the major  
16 issues and how much is still impacting not just me, but  
17 our whole departments and how we go forward. So I want  
18 to reinforce how important the work is and that it is  
19 getting put into practice pretty expeditiously.

20 So I hope that you feel a certain sense of  
21 accomplishment with the work that you do, and your new  
22 recommendations are equally as provocative and  
23 importance. I know you have talked about some of this  
24 and I am not exactly sure where the conversations are  
25 because unfortunately I have not read the latest draft

1 of the letters.

2 I got a few notes about how they have changed.  
3 I know that the Energy letter is--I will start with  
4 that one--very important. You raise an extremely  
5 important issue and one that I think I appreciate your  
6 asking the Department of Commerce to play a lead role  
7 in the shale gas study.

8 I think that that makes sense because the  
9 studies need to have both a commercial aspect to them  
10 as well as a resource analysis, if you will, but also,  
11 how do we practically put into use the benefits of such  
12 an analysis and how does it implicate industry going  
13 forward?

14 Yet, I will say that it is important as we  
15 think about that issue to recognize that there are  
16 geopolitical responsibilities that go with the position  
17 of the United States of America, so one needs to think  
18 about, how do you balance those issues?

19 So the role of industry and the importance of  
20 American industry is paramount or is at the top of  
21 mine, but also I think we have to think about, what are  
22 our global responsibilities, too? I am not suggesting  
23 I have a point of view, I am just saying these are  
24 factors to be in that conversation.

25 On the innovation letter, I think that making

1 sure that in the interagency process that NIST plays an  
2 important role is extremely important. Exactly where  
3 that initiative ought to sit is one that your  
4 recommendations are important. Given our role of  
5 leading, where should we sit relative to OSTP? That is  
6 a question that I think needs to be worked out. I do  
7 not know if you have figured that out in your letter.

8 The workforce letters are extremely helpful.  
9 I think the fact that you are going to partner with  
10 AMP, as we talked about yesterday, will have a serious  
11 benefit of just adding more weight behind the effort.  
12 We cannot really have these disparate efforts going on.

13 We need to come together, whether it is around  
14 the importance of manufacturing day, whether it is the  
15 idea of what scholastic or some other group could bring  
16 to a campaign type of image management effort.

17 Then of course, there is the whole issue of  
18 credentialling and making sure that we develop  
19 nationally recognized, portable credentials--nationally  
20 recognized so you as the employer say I get what the  
21 value of this credential is, portable so that we  
22 recognize that our workforce needs to have flexibility  
23 as families have changing needs or as work in one area  
24 ebbs or flows, and stackable so that folks who want to  
25 continue to better themselves have an efficient way of

1 continuing to be lifelong learners, which, what do we  
2 all know? This is an absolute necessity in our  
3 lifetimes to be successful, and it is only more so in  
4 the time when there is such rapid change and evolution.

5 So I will be quiet now and turn it back to  
6 you, Mike, to hear a more detailed discussion. But  
7 thank you very much for your work. It is extremely  
8 valuable to us.

9 CHAIRMAN LASZKIEWICZ: Thank you, Secretary.

10 We are prepared to have each of our  
11 subcommittee leaders present the letters of  
12 recommendation today, to give a few words, but we hope  
13 that it is a discussion. There will likely be more  
14 questions and we hope that we are addressing issues and  
15 opportunities that the committee, you, and your staff  
16 have.

17 SECRETARY PRITZKER: Terrific. We are not shy  
18 and I do not expect you are, either.

19 CHAIRMAN LASZKIEWICZ: I understand that.

20 SECRETARY PRITZKER: So I am sure it will be a  
21 good discussion.

22 CHAIRMAN LASZKIEWICZ: Before I open this to  
23 the Workforce Investment Subcommittee, I do want to  
24 note that Mary Isbister, our Vice Chair, is the  
25 chairman of the Workforce Investment Council in the

1 State of Wisconsin.

2 I will ask Mary to make a few opening remarks,  
3 but Mary has the unique position of being the Vice  
4 Chair of the Manufacturing Council and then helping all  
5 the way through execution and implementation at the  
6 State level, so she is quite an expert herself on this  
7 topic. And Eric Kelly will be representing the  
8 Workforce Subcommittee.

9 SECRETARY PRITZKER: Terrific. One of the  
10 things that I would ask you--I don't know right now is  
11 the time to discuss it--but we are toying with, how do  
12 you actually take the skills initiative in general,  
13 bigger than just manufacturing in general and make it a  
14 real movement in the United States? I would love your  
15 thoughts on that as well.

16 CHAIRMAN LASZKIEWICZ: Thank you.

17 Mary, you're up.

18 VICE CHAIR ISBISTER: Thank you, Mike.

19 Secretary, workforce for me is an avocation  
20 and it started when I realized as a manufacturer my  
21 growth was completely constrained by the fact that I  
22 couldn't hire enough qualified people quickly enough to  
23 grow. And from that day on, since I am a very  
24 competitive person, this was going to be a mission for  
25 me to figure out how to fix this.

1           And obviously manufacturing was the original  
2 platform, but as I became involved in the State work I  
3 recognized that there is a skills gap across many  
4 different industries and many different sectors. There  
5 is also a capacity gap.

6           So in Wisconsin, our population is not growing  
7 fast enough to replace our retiring workforce, so it is  
8 a two-headed monster that we have to deal with. I  
9 believe that a lot of the solutions that will come out  
10 of manufacturing are equally applicable to the IT  
11 sector, for the transportation sector, to the  
12 construction sector, all of which are very much  
13 impacted by the same issues.

14           So I am going to turn things over to the  
15 subcommittee chair here, Eric Kelly, to talk about the  
16 work of the subcommittee, but I think you will find it  
17 broadly applicable across a lot of different areas,  
18 both the perception piece because manufacturing has a  
19 perception issue, but so do a lot of other industries,  
20 so again this work, I think, is transferrable.

21           But also the alignment of workforce programs  
22 and understanding that, as you said, Madam Secretary,  
23 the most successful ones going forward I believe are  
24 going to be--and I think we all believe--driven with  
25 industry taking the lead.



1                   **DISCUSSION OF WORKFORCE DEVELOPMENT AND PUBLIC**  
2                   **PERCEPTION OF MANUFACTURING SUBCOMMITTEE RECOMMENDATION**

3                   Mr. Eric Kelly

4  
5                   MR. KELLY: Great. I'm excited to talk about  
6 the work that we've done. I just want to commend the  
7 team for doing this exceptional work. I won't read the  
8 letter to you but just kind of go through and highlight  
9 the recommendations.

10                  The two priorities were: 1) developing a  
11 manufacturing perception campaign to re-set the  
12 national mind-set. We have been talking about that in  
13 AMP. Was it yesterday we talked about that as well?  
14 The second, is realign the workforce development  
15 program to build kind of the next generation going  
16 forward.

17                  To that end, I will just start addressing the  
18 points. First, developing a national campaign,  
19 repositioning the American manufacturing mind-set. We  
20 talked about a lot of ways in which we could do that.  
21 One of the things that we talked about was partnering  
22 with the Scholastic organization.

23                  I'll just tell you a little bit about that.  
24 The primary target audience we were focused on was  
25 students, both junior high, high school, as well as

1 community colleges, and parents as well, guidance  
2 counselors, and teachers, as well as administration.

3 One of the methods that we came up with was,  
4 how do we reach out to that audience and how do we make  
5 it an operationalized approach? We were looking at the  
6 concept of policy and how do we operationalize it?

7 We looked at the Scholastic group as one of  
8 the examples, and I'll just highlight why that came  
9 about. One, they're a 93-year-old organization, \$2  
10 billion global company; they reach out to about 115  
11 million families; they touch 54 million children, 4.4  
12 million teachers, 45 languages, and 150 countries.

13 When you look at that, they touch about 99  
14 percent penetration of the U.S. schools. So that's  
15 something we can really operationalize and have an  
16 immediate reach in terms of action. So, that's just  
17 one example that I would like to put a highlight on.

18 The other one in terms of the perception  
19 campaign is really leveraging some of the national  
20 activities that are happening, 1) the maker's fair that  
21 is happening in June; you have a big end conference in  
22 June as well, and then you have the manufacturing day  
23 in October. So, really leveraging those key events  
24 that are happening this year. But that kind of gives  
25 you a little feel in terms of the perception side.

1           Then realign the workforce. We spent a lot of  
2 time in terms of establishing a thought process in  
3 terms of how we address that. One, is having an  
4 account where we establish an interagency workgroup.  
5 It really ties together both the public and private  
6 sector, but specifically labor as well as education.  
7 It really allows different methods, different  
8 principles that we are working on collectively.

9           The other one that is building, we call it the  
10 Next Generation Workforce, is really that mission again  
11 and how do we direct development curriculum. One of  
12 the things that came out of the meeting yesterday was,  
13 how do you have a program that actually cannot be  
14 implemented both on a local level but a State level and  
15 having a curriculum that no matter which community  
16 college you come out of, you actually have that  
17 certificate that the workforce and employers know  
18 exactly what they're getting from that particular grade  
19 book. So I'll stop there and just address any  
20 questions that we may have, or if there are things that  
21 I didn't touch on in particular.

22           SECRETARY PRITZKER: The national campaign is,  
23 I think -- you've laid out both leveraging events and  
24 using Scholastic. I think the real question is, we  
25 agree, now how do we implement and really what do we do

1 to implement those ideas?

2           The realigning the workforce or calling for a  
3 -- you know, I'm not sure what the "to do" is there,  
4 and that's -- you know, there are these hopes, right,  
5 of we're going to have the right credentials and we're  
6 going to get it adopted across the country, right?

7           But one of the questions I have, and I have  
8 been throwing this out as a crazy idea, is when the  
9 President announced the National Export Initiative  
10 there was a creating of the Brookings Export Cities  
11 program where Brookings worked with cities to help them  
12 to develop the apparatus to actually export because  
13 exporting is local.

14           So that training, in a funny way it's the  
15 similar thing. So my observations about skills  
16 training are, you need the local government, the  
17 business community, the community colleges, and the  
18 universities to come together. Eric, you have heard me  
19 say this, and Christie, you heard me say this yesterday  
20 but I'll say it again: we have to break down those  
21 silos in order to solve this problem.

22           I suspect, Mary, you see it in the work that  
23 is going on in your State. It can either be State-wide  
24 or it could be sectors, but States may be the obvious  
25 way to break it down because of the community colleges

1 and numerous State universities.

2 The question is, is it an interagency group  
3 that is the best partner for this? There is a role for  
4 the Federal Government and for sure for the Labor  
5 Department and Commerce to come together, but there is  
6 kind of a -- somebody has to bring together those who  
7 are doing a good job with those who want to be doing a  
8 better job, and also who is doing research about what  
9 is working and what is not working.

10 I do not know that that is the best role for  
11 the Federal Government. We can do things to support  
12 it. We could maybe set something up, but I keep  
13 thinking if we modeled something after the Brookings  
14 Exporting Cities--it's got a more romantic name than I  
15 can remember right now---

16 MS. BROWN: Metropolitan.

17 SECRETARY PRITZKER: Metropolitan Export  
18 Initiative. Thank you. I'm not the marketing person,  
19 as you can tell. But I wonder if, because there's  
20 convening that needs to go on and the convening needs  
21 to go on across the silos, universities talking to  
22 universities and business people talking to business  
23 people and community colleges talking to community  
24 colleges, we have to break that down and have some  
25 place where you go as a group and you learn from each

1 other.

2 VICE CHAIR ISBISTER: So Madam Secretary, if  
3 you don't mind--and I hope this doesn't sound like too  
4 much hubris--but I think Wisconsin has really taken a  
5 very positive step in the right direction. Our Council  
6 for Workforce Investments convenes all those  
7 stakeholders, our technical college system, our four-  
8 year education system, our K-12 education system, all  
9 of the workforce investment boards, and industry,  
10 right, and legislators, right, so we bring everyone to  
11 the table. We have been tremendously successful.

12 We have a motto, "we're all in it together",  
13 because this is something that we have to solve  
14 together. I really believe that the solving happens at  
15 the State level --

16 SECRETARY PRITZKER: Right.

17 VICE CHAIR ISBISTER: -- and within the State  
18 at the regional level.

19 SECRETARY PRITZKER: So it strikes me that--  
20 and South Carolina also is doing a really good job--  
21 there are States that are more progressed and States  
22 that are less progressed.

23 VICE CHAIR ISBISTER: Absolutely. The role  
24 that I think Federal Government has here is all of the  
25 many dollars that come into each of the States that are

1 put against worker training and workforce training and  
2 grants that go to the technical colleges. In  
3 Wisconsin, we have worked very hard to align our  
4 workforce and talent development strategy with our  
5 economic development strategy.

6 If Commerce's role was to set the economic  
7 development strategy--and I understand that there's  
8 folks that work on clusters and industry sectors and  
9 have a wad of information and data around what's  
10 growing, and even looking into the future, five years  
11 from now where will we be positioned, because really  
12 good workforce and talent development isn't just today,  
13 it is looking five years out.

14 That is the interagency activity with -- this  
15 is a personal perception, but I think my manufacturing  
16 colleagues will agree. If economic development--in  
17 this case, Commerce--leads the way with a strategy,  
18 then Education and Labor then have a role to play in,  
19 how do we implement against that? How do we identify  
20 the right programs reaching the right individuals and  
21 putting them in, ultimately, the right career paths and  
22 skill paths?

23 If you don't mind, I'd like to make a comment  
24 about credentialling. I have a real problem with the  
25 term "portability" as a manufacturer. So as a metal

1 manufacturer, there are two industry-recognized --  
2 nationally industry-recognized credentials that we rely  
3 on, AWS certification for welding and NIMS  
4 certification for machining. Those are longstanding,  
5 recognized credentials that our customers require us to  
6 use.

7 I think some of the problem with the new  
8 stackable credentials that the Manufacturing Institute  
9 has done a lot of work on, the concept is exactly right  
10 and very similar to those other two types of  
11 credentialling. I think the problem is a perception  
12 one.

13 So if they are put forward as something that  
14 is portable, then as an employer I am looking at  
15 getting someone trained with a credential that they are  
16 going to port someplace else. Now, do I still want  
17 them to have that credential? Do I still want them to  
18 have that skill level? Absolutely. I just don't want  
19 to be reminded that they can pick up and move to my  
20 competitor across the street. So I think it's a  
21 presentation issue. I think you absolutely have to  
22 bring industry to the table.

23 I think part of the problem was, it wasn't an  
24 industry-led effort to begin with, but now industry is  
25 finally being drawn in. But there will be some



1 challenges, but as soon as industry accepts this--and I  
2 think, again, government has a role to play here--there  
3 is an opportunity for incentivizing industry to adopt  
4 those credentials.

5 SECRETARY PRITZKER: So what would be useful  
6 is -- you all have forgotten more about this than I'll  
7 ever know. I'm passionate about this subject and I'm  
8 passionate about trying to figure out, how do we  
9 replicate what -- you know, who is out of the country  
10 so that we have more Wisconsin and fewer States that  
11 are those struggling to figure it out. That would be  
12 better for prosperity in America and economic growth in  
13 America. You and your businesses will figure out how  
14 to grow because you'll have good people to grow with,  
15 people who help you grow.

16 The question becomes, what is the apparatus  
17 that exists and where does it sit, and what are the  
18 criteria for it to be successful? That is really -- we  
19 are struggling with that. I don't know if Kate is  
20 here--there's Kate--who is really in charge of our  
21 skills effort, but it would be useful to maybe have a  
22 meeting to talk about that, whether it's a conference  
23 call or something, to say based on the knowledge that  
24 you have and practical experience.

25 I don't want to monopolize the time about

1 skills. I want to hear about the others. But maybe we  
2 could offline that to a follow-up where we bring the  
3 specifics and your practical experience to the table to  
4 figure out how we wrap replicate that. That would be  
5 different than what exists today.

6 MR. HYATT: And I assume in Wisconsin and the  
7 best practice States that the economic development  
8 plan, which includes exports and investment, is deeply  
9 linked to skills. Is that sort of --

10 CHAIRMAN LASZKIEWICZ: The driver.

11 MR. HYATT: And is that pretty consistent  
12 across States?

13 CHAIRMAN LASZKIEWICZ: I don't think that it  
14 is.

15 VICE CHAIR ISBISTER: And it's fairly new to  
16 Wisconsin and it's something that was hard to make  
17 happen. It really starts with the governors.

18 CHAIRMAN LASZKIEWICZ: Well, yes. I would say  
19 this. I wanted to give the President some credit here.  
20 I think he's been in Wisconsin, he's been around the  
21 United States and he's talked about demand-driven jobs.  
22 That is really what we're talking about here.

23 I think some States are ahead of others in  
24 using economic development, understanding the strengths  
25 and the investment opportunities in their States and

1 driving workforce policy to support it. That is where  
2 public perception is so important because what we find,  
3 and the Governors Association, the Labor Department,  
4 the Department of Education will all tell us that  
5 parents and students really do not understand the  
6 opportunities that exist from a career perspective and  
7 we need to do a little better job of ensuring that  
8 there is an alignment and a clear set of pathways for  
9 students to go from where they are to where the  
10 opportunities are.

11 SECRETARY PRITZKER: So Mike, can we maybe  
12 take this conversation --

13 CHAIRMAN LASZKIEWICZ: Sure.

14 SECRETARY PRITZKER: I would love to hear from  
15 the other two groups because I do have a hard stop  
16 right around 11:00.

17 CHAIRMAN LASZKIEWICZ: We will keep it on  
18 track. But thank you for your time.

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1           **DISCUSSION OF INNOVATION, RESEARCH & DEVELOPMENT**

2                           **SUBCOMMITTEE RECOMMENDATION**

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4           CHAIRMAN LASZKIEWICZ: Madam Secretary, next  
5 we are going to talk about Innovation, Research &  
6 Development. I think a couple of points that I want to  
7 make here before I pass this over to Dr. Green, the  
8 Innovation Research & Development Subcommittee has  
9 really done an especially good job of outreach with  
10 listening sessions, collaborating with educators,  
11 various departments of the government. They have done  
12 more work and due diligence than I have ever seen in my  
13 three-plus years of being on the Manufacturing Council  
14 to understand the environment that exists as they  
15 develop their recommendations.

16           Dr. Al Green and Dr. Susan Smyth lead this  
17 team, and I would like to turn it over to Dr. Green.

18           DR. GREEN: Okay. Thanks.

19           So let me try to spent probably the majority  
20 of time on the question, the specific question that you  
21 raised on the interagency initiative. That came about  
22 by the discovery process that might outline where we  
23 looked and we saw all of these great manufacturing R&D  
24 activities going on, but it was sort of distributed  
25 throughout a number of different agencies.

1           When we would talk to a lot of manufacturers,  
2 they saw bits and pieces but there was just this  
3 general, overall confusion. They knew the resources  
4 were out there possibly to help them, but they just  
5 couldn't really dig through it and find the  
6 information.

7           So that was really the linchpin, if you will,  
8 behind this recommendation where we recommended that  
9 the President designate Federal manufacturing  
10 innovations programs as an interagency science and  
11 technology initiative.

12           Actually, last night we spent some time trying  
13 to elaborate a little bit more on the topic and  
14 actually prepared a written statement which I am just  
15 going to go ahead and read of kind of how we envision  
16 this could happen.

17           So we are proposing adding the multi-agency  
18 manufacturing initiative to the existing group of three  
19 programs within the National Science & Technology  
20 Council's interagency program. It currently includes  
21 the National Nanotechnology Initiative, the National  
22 Information Technology R&D Initiative, and the U.S.  
23 Global Climate Change R&D program. So these are  
24 established programs within the NSTC interagency  
25 programs.

1           So given the President's intense interest in  
2 manufacturing and the many efforts currently taking  
3 place in multiple agencies, including DoD, DOE, DOC, of  
4 course, it seemed important to us to bring all of these  
5 programs under one umbrella to ensure coordination  
6 within government and increased visibility and access  
7 for the public.

8           Again, that came out of our listening sessions  
9 that we had with various manufacturers. We suggested a  
10 program office be established to lead this multi-agency  
11 effort within the Department of Commerce, NIST  
12 specifically. NIST has the expertise currently to  
13 provide the leadership.

14           Including the Manufacturing Initiative within  
15 the NSTC would require no additional or new funds and  
16 we believe that it would increase the effectiveness of  
17 the overall efforts.

18           So I will certainly open that up to other  
19 members of the Innovation, Research & Development  
20 Subcommittee, but that was one of, I think, our main  
21 recommendations, again, as we looked across the various  
22 collection of programs.

23           So I will pause and see if there are  
24 questions.

25           (No response)

1 DR. GREEN: Okay.

2 The other top-level recommendations that we  
3 also put forward, the second involved really NNMI,  
4 which we certainly understand is a major government  
5 initiative. We took a fairly close look at it. I am  
6 certainly happy to talk with the AMP group because I  
7 think they have also been taking a deep dive in it.

8 What comes back is that we as a subcommittee  
9 heartily support the NNMI effort. We think that it is  
10 the right thing to do. We did have some suggestions on  
11 perhaps fine-tuning that. I will certainly open that  
12 up to my other subcommittee members to talk about that  
13 more, but we do support the NNMI.

14 We also felt, when looking, of course we're  
15 looking at manufacturing R&D. If you look across, you  
16 see that the DOE labs are certainly front-runners in  
17 R&D. Perhaps looking at how the national labs could  
18 provide a stronger basis for manufacturing R&D is  
19 something that we would be happy to talk about later.

20 The third recommendation really came out of,  
21 over and over when we would host our various round  
22 tables, we kept on hearing, in a nutshell, the need for  
23 connections, that folks, manufacturers, wanted to be  
24 able to more efficiently connect with other  
25 manufacturers, suppliers, customers, and so on. We had

1 a number of ideas around how that might happen.

2 One of the things that we would like to take a  
3 closer look at, it's not going to be a formal  
4 recommendation coming out of these letters--that was  
5 actually a change that was made--was that we thought  
6 about, could there be some sort of, we called it a  
7 manufacturers'/suppliers' -- specifically, we called it  
8 a National Manufacturers -- Capability Directory.

9 And when we put that idea out to some of the  
10 folks we were talking about it was really, really well-  
11 received. Certainly recognizing--we have had a number  
12 of conversations with folks inside the government--that  
13 things like this have been proposed before and we are  
14 certainly sensitive to the hurdles that would be  
15 involved in something like that. We plan to --

16 SECRETARY PRITZKER: Can I ask you a question  
17 about that? Forgive me for interrupting. Why has it  
18 failed in the past? Somewhere in the materials I read  
19 that it had been tried before and not been successful.

20 DR. GREEN: Yes.

21 SECRETARY PRITZKER: And why should the  
22 government do it versus, let's say, NAM or somebody  
23 like that?

24 DR. GREEN: Yes. So the tried before -- when  
25 we talked to the folks yesterday within DOC, I think



1 the fundamental reason seemed to be the freshness of  
2 the information, where basically if someone is going to  
3 police how accurate the information is, that's a tall  
4 order.

5 Our thinking was a little bit along the lines  
6 of kind of, you know, LinkedIn is a good example, where  
7 the suppliers are putting information out.

8 SECRETARY PRITZKER: It's almost a Wiki, is  
9 what you want.

10 DR. GREEN: Yes. There's a lot. Angie's List  
11 was another example where the suppliers are taking the  
12 responsibility for the accuracy of the information. I  
13 mean, this has to be fleshed out in more detail.  
14 There's also ideas around who would use it, both a  
15 public piece and also perhaps a government piece where  
16 government procurement officials could actually more  
17 efficiently tap into the network of suppliers.

18 One thing that seemed clear was that when we  
19 looked at this, people were looking for a more  
20 efficient way to find people that they can collaborate  
21 with or they can use suppliers, and so on.

22 So let me pause.

23 CHAIRMAN LASZKIEWICZ: I'm sorry, Al. But  
24 yes, if there are any last questions, or Secretary, if  
25 you had anything else that you wanted to follow up. We

1 did try to provide more detail and clarification in the  
2 most recently revised letter.

3 SECRETARY PRITZKER: Okay. Great.  
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1                   **DISCUSSION OF MANUFACTURING ENERGY POLICY**

2                                   **SUBCOMMITTEE RECOMMENDATIONS**

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4                   CHAIRMAN LASZKIEWICZ: Okay. Understanding  
5 your time constraint, our last update is from Carol  
6 Williams and the Manufacturing Energy Policy team.  
7 Where did Carol go?

8                   MS. C. WILLIAMS: I'm down here.

9                   CHAIRMAN LASZKIEWICZ: There you are. Good  
10 morning.

11                   MS. C. WILLIAMS: Thank you, Madam Secretary.  
12 Our team on the energy side has focused early on in  
13 the shale gas situation. We have small manufacturers  
14 which have created a game-changing situation for  
15 America, truly, as we move forward, but it is also a  
16 very contentious issue. We saw that.

17                   We saw that in our own committee, we saw that  
18 in -- you have people who think we should export freely  
19 and do nothing, and there are some that think we should  
20 export nothing. So stepping in, we understood that  
21 this was a challenging topic to be undertaking.

22                   So where our analysis came after much study --  
23 I mean, we tried to put some of it even in the appendix  
24 so that you have it available to you, was that we  
25 really need to have a study done that is focused more

1 on the economics of the situation in the United States,  
2 focused on some type of optimization where you're not  
3 just understanding what the resource issues are, but  
4 what the jobs implications in different scenarios, what  
5 is the best utilization? If you create more, if you  
6 had the infrastructure available, would there be more  
7 available for different kinds of situations?

8 So we think it needs to be led by the  
9 Department of Commerce, although with input from the  
10 Department of Energy, focused on looking at the  
11 economic side of this, import-export uses, impact to  
12 the United States' economy.

13 There is not going to be one answer, but when  
14 we actually in our letter comment on the situation in  
15 the Ukraine that when there are geopolitical situations  
16 that occur, understand what those implications are  
17 because when the United States had energy costs that  
18 were not competitive on a global basis, we saw what  
19 happened to manufacturing. So our recommendation is  
20 that there be a study done and that it be led by the  
21 Department of Commerce with input from the Department  
22 of Energy.

23 SECRETARY PRITZKER: Got it.

24 CHAIRMAN LASZKIEWICZ: So, Madam Secretary,  
25 before we end here, Mary would like to highlight our

1 next steps and we would like to get a bit of feedback  
2 from you as we move forward here through the summer.

3 Mary?

4 VICE CHAIR ISBISTER: So I'll be very brief.  
5 The Tax and Trade Subcommittee will be submitting a  
6 letter with specific recommendations related to small-  
7 and medium-sized businesses. They will also be  
8 submitting a letter having to do with export growth,  
9 focused specifically on that.

10 The Energy Subcommittee will be doing some  
11 research and understanding renewable energy sources and  
12 how that might have implications for energy policy, and  
13 as Dr. Green mentioned, the supplier directory is  
14 something that needs some more investigation and  
15 vetting before a recommendation can be put forth. Then  
16 the Workforce Subcommittee has promised a follow-on  
17 letter with some more specifics on actionable ideas  
18 around workforce program alignment.

19 SECRETARY PRITZKER: Terrific. What I would  
20 say is, first of all, again, I think the work is  
21 really, really valuable. Actionable is, to me, the  
22 operative word. If we can come up with things and  
23 clarity about what actionable means -- in other words,  
24 imagine you had to put the business plan together.

25 The more guidance that we have, the more

1 likely it is that it is something we can figure out.  
2 That's where you have to really talk with our team to  
3 make sure, okay, if we were going to implement this, if  
4 you -- as opposed to dumping it in our lap and saying,  
5 here's the problem and an interagency group is the  
6 solution, I will tell you, an interagency group is not  
7 always the solution. We have great relationships with  
8 the rest of the agencies, but everybody has got a lot  
9 on their plate.

10 So I am trying to figure out, what are the  
11 sustainable things that we can do and how do we house  
12 them in a way that they are sustainable, right? And  
13 just saying the word "interagency" is really easy and  
14 actually getting that to produce results -- it's a big  
15 lift and it requires a lot of different -- it's  
16 complicated.

17 So what I would say is really understanding  
18 the specifics, we need to house this with the following  
19 entities involved, like you came in and said NIST as  
20 opposed to DOC, and it should sit exactly here.  
21 Working that out with all the folks in the government,  
22 including our peers and other places, other parts of  
23 the government is really helpful because then that  
24 gives us a road map of how to execute. We need more  
25 road maps and less sort of mission statements. How's

1 that?

2 Because I'm just going to turn to my guys and  
3 say, great, how do we turn that into something that we  
4 can make actionable? Frankly, like raising the  
5 question about the skills and your pushing back and  
6 saying, no, there really is a role for the interagency.

7 Then my question is, how do we keep that sustainable  
8 over a decade, right? Not sustainable over in  
9 administration over a decade.

10 CHAIRMAN LASZKIEWICZ: Great. Great.

11 SECRETARY PRITZKER: So that would be my  
12 feedback. But I think you're on the right track. I  
13 think the focus is on the right issues. Again, I would  
14 simply say the work is greatly appreciated and,  
15 frankly, really necessary to get some of the outcomes  
16 that you're looking for.

17 CHAIRMAN LASZKIEWICZ: Thank you.

18 SECRETARY PRITZKER: So thank you all very  
19 much. I know you'll have a good, productive rest of the  
20 meeting and I will see you all soon. Thank you. All  
21 right. You're in good hands.

22 CHAIRMAN LASZKIEWICZ: Okay. If I could just  
23 take a minute to make sure we all understand the lay of  
24 the land. We have ex-officio members and others from  
25 the government here. They will be involved with our

1 discussion today, but our primary objective between now  
2 and the end of our meeting will be for us to go through  
3 the next step of detail and the actual process of  
4 formally presenting each of the letters we have just  
5 discussed for a vote of approval with the Council. So  
6 that's the process we'll go through today.

7 Before we get started, we have two guests.  
8 The first has been with us before, Ken Hyatt, the Under  
9 Secretary of Commerce for International Trade. We are  
10 giving Ken a few minutes, and then Gerri Fiala a few  
11 minutes to provide an update.

12 Gerri is a Deputy Assistant for Employment &  
13 Training Administration, so they are going to go right  
14 in sequence and then we'll hand it over again to Eric,  
15 who will walk us through the review, take questions,  
16 and then we'll go for a vote. Okay? Any process  
17 question or any other question?

18 (No response)

19 CHAIRMAN LASZKIEWICZ: Okay. Very good.

20 Ken, you have the floor.  
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**TRADE AND INVESTMENT UPDATE**

By Ken Hyatt, Under Secretary for Commerce,  
International Trade Administration

MR. HYATT: Thank you. Thank you. So I wanted to talk about the export letter, which we're excited that you're going to be working on. As many people around the table probably know, the National Export Initiative is coming to an end at the end of this year. We have been involved in developing what is next. We are very clever and very creative, so we have called it NEI Next. We have the great marketing skill of the Federal Government.

What we went out and did--and I'm going to sort of lay this out and then get to an offer to you, but I want to lay out how we did what we did because I think it will then provide interesting information as you build the export letter--we went out and said before we think about what is next, let's take a look at that which we did, right, the good old, analyze. I'm a former management consultant. Take a look at the data before you figure out what's next.

We did sort of macro-economic analysis of sectors and countries, where the growth rates -- where do we see the middle class going, et cetera, et cetera,

1 et cetera. We looked both internally at Census data,  
2 we looked at what McKenzie said, what the consulting  
3 group said, what the World Bank said, et cetera, et  
4 cetera. So we painted a bit of a picture about, what  
5 are the opportunities going forward?

6 Two, we went to our customers and we did  
7 quantitative and qualitative research as to what our  
8 customers were saying they needed with respect to help  
9 in terms of exports, big ones and little ones. So  
10 talking to the small businesses, what is it you need  
11 and what do you believe the Federal Government should  
12 provide? Again, big, medium, and small. I do think  
13 there is a bit of three different segments out there.

14 The big companies who are unbelievably skilled  
15 at accessing Federal resources, very targeted, I need  
16 you to do this in this country, right? The small  
17 businesses who often need basic information about how  
18 to think about exporting and/or into which country they  
19 go.

20 So we did customer research. Again, it was  
21 quantitative, the classic sort of quantitative  
22 segmentation survey, what do you need, to what extent  
23 are your interests/needs being met, et cetera, et  
24 cetera.

25 We also did a bunch of focus groups. We went

1 around the country and just asked people, what do you  
2 think? What's been working, what's not been working,  
3 what should we do more of, et cetera?

4 The third thing we did, is we looked at the  
5 effectiveness of actual programs that we do, right,  
6 separate from, this is what you the customer needs.  
7 What are rankings as to the importance and how  
8 effective our trade missions are?

9 How important is the provision of data to  
10 companies and how well do we do? So we had both  
11 importance rankings and then assessment of how well  
12 we've done. I think there will be interesting stuff  
13 that we'll offer you as you think about this export.  
14 So we did that.

15 The lessons--and again, I don't know how many  
16 of these were surprising--lots of strong, projected  
17 growth going forward and an awful lot about our need to  
18 better customize and target that which we do to the  
19 specific need of the customer.

20 It was a little bit the -- sometimes the  
21 customer said we feel you are speaking to us too  
22 generically and not speaking to us very clearly: I'm an  
23 aerospace company with this specific need; I'm an  
24 automotive company; I'm a technology company, et  
25 cetera.

1           So there was a lot around, you need to  
2 customize more what you do to add more value to the  
3 business. That could be everything from, in the  
4 running of a trade mission, if you're really clear  
5 about what we need you'll connect us to better  
6 customers, to the data you're providing to us about a  
7 market opportunity is insufficiently custom. So  
8 customization.

9           An awful lot that we need to partner better,  
10 which I sort of partner, and particularly the private  
11 sector better, multiplying more of that which you do.  
12 Lots on the fundamental lack of awareness of both  
13 services that are offered and, in particular, financing  
14 options that are available. Those lessons that led to  
15 NEI Next. Since we haven't yet announced it I can't  
16 share it with you, but you can draw inferences from  
17 what I just said about what will be in it.

18           We'll announce a framework roughly around the  
19 middle of May. I am happy and prepared both to share  
20 the underlying data and research and focus groups and  
21 work to help as you write the export letter. Then once  
22 it comes out, which will be in literally I would say  
23 three weeks or two weeks, sort of sit with you and take  
24 you through all of our thinking, because I do think of  
25 it as a framework that again needs additional work.

1           The last thing I will then offer, is a  
2 particular interest we have will be to ask for your  
3 help in terms of metrics and measurement. You think  
4 about the last NEI, it was one big goal, double  
5 exports. I think it's a great idea to set that simple  
6 beacon that everyone could align around, but thinking  
7 much more carefully around, where do we want to add  
8 value? If we want to broaden the set of exporters,  
9 broaden and deepen it, if we want more exporters, how  
10 do you measure more? Should you be segmenting?

11           Some people talk about 58% of companies export  
12 to one country, often the accidental exporter. Well,  
13 what are the right segmentations? What should we be  
14 measuring? Should we be measuring the ones going to  
15 twos? I don't really think so.

16           Should we be measuring the people going from 1  
17 to 10 markets and those that are then the established,  
18 successful exporters in that? There are sets of  
19 metrics questions. How do you measure this? So I know  
20 we need your help. Again, I think you are particularly  
21 well-suited to help us think through what to measure,  
22 because that again is going to drive a lot of this.

23           So again, the offer is--and I do not know.  
24 Who is the lead on the --

25           CHAIRMAN LASZKIEWICZ: I was just going to

1 ask.

2 MR. HYATT: Because I have a name on our side.

3 CHAIRMAN LASZKIEWICZ: We have Steve Braig and  
4 Jeff Wilcox and Mark Chandler who are all engaged, and  
5 I think they might want to make just a couple of  
6 comments before you move on to Jerry.

7 MR. HYATT: Yes. And then on our side, I'm  
8 going to offer Pat Kerwin, who is the leader of our --  
9 essentially the national export efforts. He's been  
10 leading a lot of this work and he is ready to meet and  
11 share and  
12 discuss --

13 VOICE: He talked to our subcommittee  
14 yesterday.

15 MR. HYATT: Okay, good. He said he spent a  
16 couple of minutes. There's a lot more behind that,  
17 then again, as soon as you figure out how we make those  
18 connections because what I'd love to do is sit down and  
19 share and get your thoughts.

20 CHAIRMAN LASZKIEWICZ: Great.

21 MR. HYATT: Here's what we did, here's the  
22 analysis.

23 CHAIRMAN LASZKIEWICZ: I know Jeff wanted to  
24 make a couple of comments and I think Steve does, too.

25 MR. HYATT: Okay. Great.

1 CHAIRMAN LASZKIEWICZ: So I'm sorry, I'm  
2 trying to keep this --

3 MR. HYATT: No, no. Sorry.

4 CHAIRMAN LASZKIEWICZ: Jeff?

5 MR. WILCOX: I will actually defer to Steve  
6 since I missed yesterday's subcommittee meeting, so  
7 he's more up to speed.

8 CHAIRMAN LASZKIEWICZ: Okay.

9 MR. BRAIG: Thank you for the offer. We will  
10 gladly take you up on that.

11 MR. HYATT: Good.

12 MR. BRAIG: I think that's an excellent --  
13 Mike, would you like me to go or to provide a synopsis  
14 of what we had discussed?

15 CHAIRMAN LASZKIEWICZ: What I would do, is I  
16 think because of the time constraint what I wanted to  
17 make sure we locked down with Ken right now is the  
18 commitment to make sure that, as we developed our  
19 export recommendations, we do have the right working  
20 group within Commerce, within our subcommittee and any  
21 other areas where we required support. So I think that  
22 was the first point. I don't think we're going to have  
23 time to go through the specifics, Steve.

24 MR. BRAIG: Okay.

25 CHAIRMAN LASZKIEWICZ: All right.

1           MR. HYATT: So then I will just rely upon the  
2 team to make certain when we get connected. Again,  
3 from my perspective, we have the NEI office which I  
4 think will be helpful. We also have sector experts and  
5 we have country experts.

6           I would like to bring the organization to this  
7 effort so that, again, aerospace, auto parts, or  
8 machinery, or agricultural equipment, et cetera, et  
9 cetera, et cetera. And then also with China, India and  
10 Brazil, we sort of take advantage of connecting your  
11 knowledge and ours.

12           CHAIRMAN LASZKIEWICZ: We agree. And I hate  
13 to be rude, but I really need to keep this moving  
14 forward.

15           So Gerri, thank you for joining us. If you  
16 could try and keep your comments short, we would really  
17 appreciate it.

18           MS. FIALA: I will keep them short.

19           CHAIRMAN LASZKIEWICZ: Thank you.  
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**DEPARTMENT OF LABOR UPDATE**

Gerri Fiala, Deputy Assistant Secretary  
for Employment & Training Administration

MS. FIALA: It's a pleasure. I actually was here last year the day that Secretary Perez took office. I wanted to acknowledge the fact that both Secretary Perez and Secretary Pritzker -- working together in what is really a strong partnership, going out -- to business people and learning about their needs and how to best engage them in the process. So, thank you for letting me come back.

I will be very brief. I have wanted to just underscore, I think there is a lot and very clearly articulated in States who do things right and we have to figure out how to do things better. Things that are not working so well, we need to either fix them or end them and we need to lift up those that do. So there is a lot of emphasis on evidence building right now in many things.

Within the Vice President's -- initiative to take a look at all Federal programs and to take a look at whether or not effective strategies to drive them in terms of looking at jobs that are available now and in the future, we have really sort of lifted up five goals

1 from the Department of Labor in that process. One is  
2 to have a deeper and more sustained engagement with  
3 business and to make it easier for business to find  
4 skilled workers.

5 We are doing that in a number of ways, one of  
6 which is really going out and engaging and listening,  
7 but two, trying to -- we are requiring--and we now have  
8 \$1 billion worth of investments that we have announced  
9 that we will be making in various discretionary  
10 programs--that business be actively engaged in those  
11 programs.

12 I don't mean signing a letter of support to  
13 your local board or your college, but actually  
14 participating in the design, articulating the skills  
15 and levels that are required, and being part of  
16 providing work-based training where that's appropriate  
17 because we can't--and you know better than I do--engage  
18 and ensure that workers will have the right skills if  
19 we do not.

20 The second major goal that we're looking at is  
21 how to make it easier for individuals to acquire those  
22 skills in demand. You know better, you have heard  
23 better at the State and local level that there is a  
24 maze of programs out there and how do people figure out  
25 how to make informed decisions?

1           What's the kind of information, the labor  
2 market information, the skills information, the  
3 education and training provider information? By that,  
4 I included registered apprenticeships and all kinds of  
5 pathways. What is the best information for them to  
6 make those decisions?

7           A third major goal is to spur innovation and  
8 really to promote what works in job training programs.

9           For example, we have just invested and announced 24  
10 awards in a youth career conducted around the country.

11          I heard you talk last summer about building the  
12 pipeline and the continuum.

13          It is important to us. This is a program,  
14 again, requiring business engagement with schools, with  
15 local workforce boards, with business, with community  
16 organizations to develop a pathway for young people to  
17 go from secondary school into post-secondary education  
18 and training, be it registered apprenticeships,  
19 community colleges, a mix of that, or to work where  
20 there is another form of work-based learning. So, I  
21 hope that if they're in your area you will have someone  
22 engaged with those grants.

23          The last goal that I wanted to mention was  
24 transforming registered apprenticeship into the 21st  
25 century. We have engaged employers in this effort. We

1 want to move from the strength of this in the craft  
2 unions, craft programs and unions in manufacturers with  
3 sponsors. We want to move it to other industries,  
4 advanced manufacturing, IT, health care, and so on,  
5 because apprenticeship works.

6 We have research about work-based learning,  
7 whether it is on-the-job training or apprenticeship.  
8 So we will need your help to be actively engaged with  
9 wider ideas and would love to have some champions to  
10 talk to other companies, CEOs and others that this  
11 works. We also announced as part of that \$1 billion  
12 investments.

13 I want to just quickly take off. The  
14 President announced that we will be putting \$100  
15 million out sometime late this fall to spur these  
16 registered apprenticeship initiatives at the State and  
17 regional level. We will be looking at, again,  
18 partnerships, critically important.

19 We talked about the \$100 million in youth  
20 work. The Secretary just announced yesterday something  
21 that I hope makes good sense to you that you would get  
22 involved with. We announced yesterday job-driven  
23 national emergency grants, a total of up to \$150  
24 million, for States to invest in programs to help  
25 dislocated workers who have lost their job through no

1 fault of their own get back into things.

2           These grants are designed to increase the  
3 capacity of work-based training, so OJT in particular,  
4 registered apprenticeship, which have a proven track  
5 record of giving people a chance to earn and learn.

6           So I hope that you would talk to your  
7 colleagues to talk to the governors because these are  
8 focused on States, trying to change the delivery, and  
9 get engaged. Take advantage of this and help us promote  
10 it.

11           The other program I wanted to touch on, just  
12 two more, one is Ready to Work, which is still open.  
13 It's focusing on helping the long-term unemployed get  
14 back to work, again required employer engagement. We  
15 don't know how to do this well and if the -- employer.

16           There are former six- and seven-figure people who  
17 haven't been able to get back to work, as well as low-  
18 skilled individuals. So I hope, again, that we need  
19 your feedback on that. We want to have you engaged in  
20 that process.

21           Importantly, we have just announced -- the  
22 President announced and the Secretary mentioned the  
23 TACT grants. This is the last round of TACT grants  
24 which are designed to build capacity at community  
25 colleges to provide training to workers in in-demand

1 industries. A number have -- this is the fourth round.

2 We have funded a number in advanced manufacturing  
3 already. We are seeing the results of that in other  
4 occupations.

5 We are going to make available all of that  
6 curriculum, all of the instructional values, et cetera,  
7 as they are developing -- we're going to put them on a  
8 platform free of charge so that any local area, any  
9 State, any institution, public/private can use those  
10 materials to improve their own program because we do  
11 not want to duplicate --

12 So that round has just opened. I urge you  
13 again, employers are required partners in this program.

14 Please, please, please reach out and ask your  
15 colleagues to reach out to the local community colleges  
16 and four-year institutions that have two-year degrees  
17 to participate.

18 CHAIRMAN LASZKIEWICZ: Gerri, thank you. You  
19 squeezed a lot in there.

20 MS. FIALA: One last thing can I just say,  
21 Mike, is we would be happy to work with the Workforce  
22 Subcommittee as they deal with their specifics. I  
23 think it is really important to do that. When I say  
24 we, I would like to -- my colleague, Johan Uvin, who is  
25 the Deputy Assistant Secretary.

1 CHAIRMAN LASZKIEWICZ: Yes. Johan's been with  
2 us a number of times.

3 Gerri, one of the things I would ask you is to  
4 summarize your request in a note --

5 MS. FIALA: I will do that.

6 CHAIRMAN LASZKIEWICZ: -- to the committee  
7 members, because some of what you requested are actions  
8 that can take place at a local level.

9 MS. FIALA: Yes. And I'm assuming local  
10 managers at the --

11 VICE CHAIR ISBISTER: And they do.

12 MS. FIALA: They do?

13 VICE CHAIR ISBISTER: My company actually  
14 wrote the job book for the metal fabricator kind of  
15 ship program -- so it was one of the first times that  
16 actually industry, a company, wrote the job book as  
17 opposed to the State writing it.

18 MS. FIALA: And we want to see more of that.

19 VICE CHAIR ISBISTER: That's how it was done.

20 MR. PAREEK: Gerri, what is the best way to  
21 get some of that information you shared, because that  
22 is very much in line with the work we are doing in our  
23 Skills Subcommittee.

24 VICE CHAIR ISBISTER: Yes. It wasn't  
25 discussed today.

1           MR. PAREEK: How do we interface with you,  
2 learn about what's working, what's not working,  
3 effectiveness?

4           MS. FIALA: I will be happy to come back to  
5 you. I don't know the best -- should I see you to --

6           CHAIRMAN LASZKIEWICZ: I think I would ask for  
7 two things. One, if you send the note, Liz can make  
8 sure it gets distributed to all of the members. But I  
9 think in addition to that we're going to move to Eric's  
10 update on the letter. But what the subcommittee  
11 members are asking is maybe for your engagement to come  
12 into one of their subcommittee meetings and provide a  
13 bit more detail to some of the key points you've  
14 identified here. Charise or Beth, did I hear that  
15 correct?

16           MS. B. WILLIAMS: Yes. Or a conference call.  
17 Also, is there a link that specifically -- you talked  
18 about four different or five different programs that we  
19 could, like, look at what those programs are, where the  
20 money has been allocated.

21           MS. FIALA: I ended up having to Google our  
22 own website.

23           MS. BROWN: Actually, let me interrupt for one  
24 second because I know we have to move forward, so we  
25 really have to stop this. There is manufacturing.gov



1 and it's actually going to feed right into what Eric is  
2 talking about because it's something that hasn't been  
3 addressed in the workforce and on the public perception  
4 side and I think it should. We have manufacturing.gov.

5 It is supposed to be a clearinghouse. It is supposed  
6 to be all agencies.

7 So Labor, for example, could feed in three or  
8 four programs that are very specific and ask questions  
9 about it. The Department of Energy puts up their Clean  
10 Energy Manufacturing, Department of Labor. That is the  
11 role of manufacturing.gov. I would say it has not been  
12 used as successfully as it should and I would say that  
13 we would welcome your feedback if you specifically go.

14 I don't know how many people here use  
15 manufacturing.gov, but I would be very curious about  
16 that. We can do links to the other agencies, so it  
17 feeds right into -- that would be one of my feedback on  
18 your letter which is coming up, would be, let's look at  
19 manufacturing.gov. It would be wonderful to get advice  
20 on that.

21 MS. FIALA: Okay. But we will send you the  
22 links.

23 CHAIRMAN LASZKIEWICZ: Great.

24 MS. FIALA: We'll do it this afternoon.

25 CHAIRMAN LASZKIEWICZ: Thank you.

1 VICE CHAIR ISBISTER: Wonderful.

2 CHAIRMAN LASZKIEWICZ: Okay. So just a  
3 process check because we've only done this once before  
4 and we have a couple of new members.

5 The way this will work is that -- you know,  
6 the assumption is that as members, as you reviewed at  
7 least the draft materials that have come past you over  
8 the last several weeks and months from each of these  
9 subcommittees, Eric will present the key highlights and  
10 any late changes to the letter on Workforce Development  
11 and Public Perception. He will take questions.

12 There is an opportunity, if there are some  
13 modifications that we have not considered to this  
14 point. This is really the last opportunity to bring  
15 those up. Once Eric is done, I'll call for a motion  
16 asking for approval of the recommendations. We'll need  
17 a second. Assuming we get through that process, we  
18 would have an approved letter. So that's how the  
19 process works, unless I misunderstand. Chandra, did I  
20 have that correct?

21 MS. BROWN: You are right on target.

22 CHAIRMAN LASZKIEWICZ: Okay. So I know we've  
23 only done it once before. This is probably one of the  
24 more formal aspects of our meeting. So with that,  
25 Eric, I will give you the floor again.

1                   **DISCUSSION OF WORKFORCE DEVELOPMENT AND PUBLIC**  
2                   **PERCEPTION OF MANUFACTURING SUBCOMMITTEE RECOMMENDATION**

3   **(Continued)**

4  
5                   MR. KELLY: Great. So it sounds like I have  
6 two objectives: 1) is to get the approval for the  
7 letter; and 2) to get us back on schedule.

8   (Laughter)

9                   MR. KELLY: I'm going to make the assumption  
10 that everyone has already reviewed the letter except  
11 for the additions that we added yesterday. So I will  
12 go to the additions and make sure we discuss those.  
13 What we added to our letter was to provide a  
14 supplemental letter with specifics around: 1) how the  
15 Council intends to partner and -- recommendation from  
16 the Advanced Manufacturing Partnership.

17                   I think we had a great start yesterday  
18 evening. We got everyone together. We had already had  
19 several conference calls. But the recommendation will  
20 be to formalize the process in terms of having the  
21 various subcommittees work together, whether it's  
22 workforce, whether it's perception, and come up with  
23 elective recommendations.

24                   The second bullet is that more specifics on  
25 industry's public/private partnerships and how the

1 businesses work together with the collective  
2 organizations, whether it is the government, whether  
3 it's the educational institutions. Again, I think a  
4 lot of that will be vetted out as we start working with  
5 the AMP committee. They've done a lot in that area and  
6 I think collectively we'll come up with some very  
7 specific recommendations.

8 The fourth one is, in workplace based on  
9 learning -- models. Mary said what they did in her  
10 State. I would echo that there's other States that  
11 were highlighted with the AMP committee as well, so  
12 that seems to be a very effective way for a stakeholder  
13 to drive apprenticeship programs coupled with working  
14 with employers.

15 Then the fourth one is industry sector  
16 development endorsing credentials. I think you heard  
17 that being discussed earlier. I think there are  
18 credentials already out there. How do we make sure  
19 that those are being addressed nationally and they're  
20 also being supported by the private sector?

21 So with that, I think I am ahead of schedule.

22 CHAIRMAN LASZKIEWICZ: Well, let me open it  
23 up. Are there any questions or comments about the  
24 letter or the next steps or the most recent  
25 modifications before I ask for a motion?

1           VICE CHAIR ISBISTER: I've got one request,  
2 that page 4 we change "further the Council recommends".  
3 I request we change it to "adoption to endorsement and  
4 replication of proven models". We did have a fulsome  
5 conversation at our meeting yesterday and determined  
6 that "adoption" might not be the right word.

7           CHAIRMAN LASZKIEWICZ: Any comments?

8           (No response)

9           CHAIRMAN LASZKIEWICZ: Eric, are you okay with  
10 the adjustment?

11          MR. KELLY: Absolutely.

12          CHAIRMAN LASZKIEWICZ: Okay. Any other  
13 comments?

14          MS. C. WILLIAMS: The only question I might  
15 have is, did the comments that the Secretary made about  
16 addressing how we're going to go after some of this,  
17 should we do that after? That would be my only  
18 question --

19          MR. KELLY: Yes. Those are the employers that  
20 we're going to address and follow-up with.

21          MS. BROWN: And then to echo what Carol says,  
22 I definitely think when we looked at this letter when  
23 you recommend the endorsement and replication of proven  
24 models, I think what she is looking for is, where is  
25 the list of the six? Where exactly? Are they in

1 prioritized order of what programs?

2 I mean, we are really talking about getting to  
3 the implementable stage. I think that was pretty  
4 clear. So if that is coming, if this is setting the  
5 ground work, it will come back right with the very  
6 specific implementation strategy, I think it's perfect.

7 MR. KELLY: Operationalize it.

8 CHAIRMAN LASZKIEWICZ: Okay. With the  
9 understanding that we will make the minor change that  
10 Mary identified with the wording on page 4 and with the  
11 further understanding that the Secretary's request for  
12 additional information on prioritization and  
13 implementation will be addressed in a follow-up letter,  
14 I think I'm hearing consensus and I'm asking if we have  
15 a motion for approval.

16 VOICE: I move to approve to approve the  
17 Workforce letter.

18 CHAIRMAN LASZKIEWICZ: Do I have a second?

19 VOICE: I'll second.

20 CHAIRMAN LASZKIEWICZ: The Workforce letter is  
21 approved. Excuse me. We have to vote. I forgot to  
22 vote one other time. I apologize.

23 All in favor say aye.

24 (Chorus of Ayes)

25 CHAIRMAN LASZKIEWICZ: Opposed?

1 (No response)

2 CHAIRMAN LASZKIEWICZ: The motion is approved.  
3 The letter on Workforce Development is approved to go  
4 to the Secretary of Commerce.

5 MS. PILAT: I guess I would have a follow-on  
6 one, is in the letter it highlights that the Council  
7 recommends not just to incentivize more manufacturers. I  
8 think we would benefit from learning more about the  
9 incentives that are out there already and are working.

10 CHAIRMAN LASZKIEWICZ: Great point.

11 MS. PILAT: So we need to make sure we examine  
12 those, first.

13 CHAIRMAN LASZKIEWICZ: Thank you, Jenna.  
14 Point noted.

15 Eric, did you get that?

16 MR. KELLY: I got it, yes.

17 CHAIRMAN LASZKIEWICZ: Okay. Thank you. All  
18 right.

19 So with that business completed, I understand  
20 that Greg Henschel, who was scheduled to give us an  
21 update from the Department of Education, is not here  
22 but Johan is going to be filling in for him.

23 Again, the purpose of these discussions is  
24 just to provide a little bit of insight for the  
25 background of the letter or future work. So, Johan?

**DEPARTMENT OF EDUCATION UPDATE**

Johan Uvin, Principal Deputy Assistant Secretary,  
Select USA, International Trade Administration,  
Department of Commerce

MR. UVIN: Good morning, everyone. Thank you for the opportunity to spend some time with you this morning. Yesterday I had a chance to go to the AMP steering committee as well. Today I am here with this Council.

I want to share with you right away that there is nearly perfect alignment between the recommendations of these two Councils and the administration's goals and actions for job-driven training, specifically for secondary and post-secondary career and technical education and adult education and training.

So I will quickly explain where I see that alignment and then share with you some very specific actions that we will be taking at the Department of Education to advance some of your recommendations and some of the recommendations that have come out of the AMP.

So there's continued focus on manufacturing as one of the key cornerstones of our economy going forward. It's something that we share with you, so we



1 are looking to operationalize that in both program and  
2 policy decisions that we make.

3           Apprenticeship is a critical part of the  
4 talent pipeline as we see it, and all of our career  
5 pathways work that we are doing with our colleagues at  
6 the Department of Labor, Health and Human Services, and  
7 Transportation fits very, very nicely with that. If  
8 people are looking for an effective interagency  
9 mechanism, that is already in place. We actually have  
10 one that focuses on -- and I wanted to point that out.

11           I see also great alignment between our  
12 interests and accelerated models that provide credit  
13 opportunities for more college credit for completion of  
14 industry-based training and -- completion of registered  
15 apprenticeships.

16           We are advancing industry certification and  
17 licenses and other industry-recognized credentials as  
18 important performance measures for our education  
19 programs going forward and we see that there was great  
20 alignment with the interests of the members of this  
21 Council and the AMP.

22           We looked at many of the best practice  
23 examples that have been gathered by both groups and we  
24 concur with that and we are thinking about what we can  
25 do to disseminate that information in coordination with

1 you to a much broader audience.

2           The acknowledgement of the image and  
3 perception issues is one that is very important to us  
4 because we believe there is a relationship between  
5 perception of industry and perception of pathways that  
6 lead to the preparation for people in certain  
7 industries. We are very excited about some of the  
8 specific actions that are being proposed and some of  
9 the tools that people are developing either through  
10 this Council or the AMP.

11           So a specific initiative that we have taken  
12 and -- here intentionally that support the objective  
13 and the recommendations are the following: so we're  
14 advancing changes in policies that speak directly to  
15 your recommendations so there is an opportunity to  
16 reauthorize the Carl D. Perkins Career and Technical  
17 Education Act of 2006, and we are taking many of your  
18 suggestions and vetting them and with technical  
19 assistance we are currently providing both in the  
20 Senate and the House around this particular piece of  
21 legislation.

22           Secondly, we are making an investment in the  
23 development of high-quality and accurate informational  
24 materials that will address the perception issues about  
25 career and technical education, but by extension

1 certain industries because of that relationship that I  
2 mentioned earlier.

3 We commit to reaching out to both this Council  
4 and to the Workforce Committee as to how we can best -  
5 - around this. So we have a project in the pipeline,  
6 if you will, that speaks directly and is actually came  
7 out of the last conversation.

8 We are making investment in a number of  
9 virtual workshops to CTE providers, to the folks on the  
10 demand side in the communities where Manufacturing  
11 Innovation Institutes are being established to make  
12 sure that we promote greater alignment between what is  
13 happening in our programs and what the needs of the  
14 employers are.

15 Two more things. We are funding, through our  
16 National Center for CTE Research and Innovation, a  
17 number of studies now that will look at effective  
18 employer engagement practices and we are most certainly  
19 looking at the types of promising practices that were  
20 identified by this group as a starting point for that.

21 We are working with the Office of Science &  
22 Technology Policy around the effort to make over all  
23 the voc-ed charts and turn them into community  
24 neighbors centers. I'd be happy to elaborate on that  
25 offline. Mea culpa. We should have done more with

1 manufacturing.gov and I'm going to take that back as a  
2 challenge and see what we can do. I make that  
3 commitment and we will do that.

4 I'll leave it at that, unless there are  
5 questions.

6 CHAIRMAN LASZKIEWICZ: Thank you. Okay.

7 The next order of business, Dr. Green is going  
8 to present the Innovation Research & Development letter  
9 that he described in a bit of detail earlier and we'll  
10 go through the same process. I'll remember to call for  
11 a vote for this time.

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1           **DISCUSSION OF INNOVATION, RESEARCH AND DEVELOPMENT**

2                   **SUBCOMMITTEE RECOMMENDATIONS (Continued)**

3                           By Dr. Al Green

4

5           DR. GREEN: So I assume everyone has read it  
6 so I'm just going to go through just a few very minor  
7 changes. There were a number of comments that were  
8 submitted, and I believe I reached out to everyone that  
9 did provide input on suggestions on the comments.  
10 Actually, we did make changes in response to some of  
11 that input.

12                   There are basically two areas that we had  
13 modified slightly, consistent with what the Secretary  
14 was asking. We have tried to expand a little bit in  
15 terms of specifics of this interagency Science &  
16 Technology -- Manufacturing Innovation -- interagency  
17 Science & Technology Initiative.

18                   So we tried to lay that out much more  
19 specifically and we will actually add a footnote just  
20 to add even more clarity to what we are proposing on  
21 that. But the body of what we are saying has not  
22 changed.

23                   The second change that we made, we had  
24 proposed essentially a national manufacturer supplier  
25 capability directory. We got a number of people that

1 gave us input on how it might work and some questions  
2 about how it might be executed.

3           What we decided to do there was to -- we felt  
4 that it needed more thought behind it, more specifics  
5 in terms of what it would actually mean. So we  
6 actually took that recommendation out of our formal  
7 recommendations and put it into what we called our key  
8 findings.

9           Basically it was a fact. I mean, we found  
10 that manufacturers needed a widely recognized single  
11 mechanism which could provide visibility of current  
12 U.S. manufacturing capabilities among public and  
13 private sector procurement officials.

14           So again, we took that away from a formal  
15 recommendation and put it into a finding with the  
16 statement that we would like to come back at the end of  
17 the October session, do some more due diligence, and  
18 add meat to that recommendation if possible. So those  
19 are really the only two changes. The rest of it is as  
20 advertised that we have put out, and we've received a  
21 lot of comments and I have tried to respond to the  
22 people. So, that's it.

23           CHAIRMAN LASZKIEWICZ: I would like to just  
24 make a quick comment. First of all, I had the  
25 opportunity to work a bit with your team and I just

1 want to thank you not only for the energy, but I  
2 realized some significant learning. One point I think  
3 is worth emphasizing here.

4 I think what is really an important piece of  
5 your work is your message that U.S. investment in  
6 manufacturing research and development is really  
7 critical if we are to realize the value of product and  
8 material research and development. Historically, that  
9 has been -- product and materials and technology have  
10 been the focus of our basic research.

11 But your point helped us to understand that  
12 there is a gap that needs to be filled. Your work  
13 helps us to understand what global competitors are  
14 doing, where the investments are being made, and how  
15 substantial work is being done to make sure that great  
16 things that are thought of and then invented can be  
17 productively, competitively produced where they can be  
18 commercialized. I really appreciate the work your team  
19 did there and I learned a lot from you and Susan and  
20 your leadership of the team.

21 DR. GREEN: Susan wants to comment on that  
22 point specifically.

23 Susan, if you would like to comment on that.

24 CHAIRMAN LASZKIEWICZ: Thank you, Susan.

25 DR. SMYTH: Well, I'm just going to paraphrase

1 everything that Mike said.

2 (Laughter)

3 DR. SMYTH: The bottom line is, if you want to  
4 make money and you want to make jobs you have to have  
5 the ability to manufacture what you've invented, be it  
6 a new material or a new product. What we have found,  
7 the number one -- I said the key finding was, there is  
8 a not a common understanding that manufacturing R&D is  
9 the third flavor of R&D that is required as that chain  
10 going from happy, happy thought to making money. If  
11 you don't fund the third one, you do not exploit.

12 You might as well -- you are better not  
13 investing in the materials and better not investing in  
14 the product because all you've done is you've invested  
15 in it, put it on the shelf, and some other guy that  
16 understands that you have to do manufacturing R&D will  
17 take your product and material off the shelf and  
18 they'll make the thingie and they'll make the money and  
19 they'll get the jobs.

20 There's four things we're recommending: 1) you  
21 put it all in one bucket and DOE has to own the bucket  
22 and it has to be NIST to gather the bucket; 2) NNMI is  
23 the vehicle. It is really good but it needs -- it's  
24 the vehicle to drive the change. You've got to fix it.

25 We've got criteria that you go through on the



1 checklist.

2           There's different people that need to be  
3 involved, there's different criteria. So the bottom  
4 line is, get it all in one bucket, fix the bucket, and  
5 the third one is fill the bucket. That is a  
6 combination of financing--and we need to talk about  
7 that--and opportunities for financing, but also the  
8 role that tier one, tier two, and tier three suppliers  
9 play in the R&D. That is a fundamental finding and it's  
10 a team sport. It is the Ryder Cup team, it is not the  
11 Master's.

12           CHAIRMAN LASZKIEWICZ: Thank you. Thank you,  
13 Susan.

14           I guess I would ask if we have a motion for  
15 approval of the letter.

16           MS. BROWN: Actually, Mike, I have a comment  
17 if I could before you adopt.

18           CHAIRMAN LASZKIEWICZ: Please.

19           MS. BROWN: And again, just going off of what  
20 the Secretary said earlier, I'm very appreciative of  
21 how quickly -- I'm very impressed at the turnaround in  
22 picking this and giving that more details. As you  
23 said, it was a credit to how responsive everyone here  
24 is.

25           I think a couple of the things, just to go --

1 my question is if there is going to be another kind of  
2 follow-up, you know, more in-depth. I just want to  
3 follow as a very specific example. With the NNMI being  
4 at the AMP meeting yesterday, they are obviously doing  
5 a lot of work on that now and picking out topics in the  
6 next sector. So it's great timing and important to do  
7 that.

8 But when I read the letter, I was wondering,  
9 is there going to be, like in the second letter when it  
10 says -- you say this is what you need to do, how do you  
11 strengthen the program, and you have, like, 1) fund  
12 these areas at a critical mass level and include  
13 concise commercialization criteria. Do you have a  
14 number?

15 Do you have a specific number that you think  
16 it should be funded at? Do you have actually written  
17 criteria that you could put in the commercialization  
18 terms and conditions, if you will?

19 I mean, we are talking about that level of  
20 detail for each one of these things that you're telling  
21 us, this is what we think critical funding is, this is  
22 what we think the commercialization terms are, this is  
23 what we prioritize. So I mean, that was my question.  
24 Is there going to be a follow-on at that level of  
25 implementation level? This is kind of a little

1 generic. I mean, it  
2 has --

3 DR. SMYTH: Right. There is another level of  
4 detail, and I will jump in. But also with regard to,  
5 how do you implement this supplier Rolodex, or  
6 LinkedIn, or whatever, and is that the right mechanism  
7 or are there other, sweeter tools?

8 Al?

9 DR. GREEN: Yes. In response to the NNMI  
10 comment, I mean, recognizing that there could be more  
11 detail and more meat in terms of levels, and we looked  
12 at that, I think, you know, there are a number of other  
13 folks that are deep-diving into that, I think the AMP  
14 team in particular. We talked to a number of folks  
15 that are involved in that.

16 I kind of want to make sure -- I don't want to  
17 duplicate efforts and not boil the ocean, but we are  
18 trying to -- I think we provided a semi-detailed --  
19 understanding that there could be more. I also think  
20 there are other people, since NNMI is such a high-  
21 priority effort, you know, critical mass. A lot of  
22 these issues have been and are being currently  
23 addressed. So that's my comment.

24 CHAIRMAN LASZKIEWICZ: I guess I would leave  
25 it as, I think Chandra, if I understand your request

1 specifically related to the work going forward, I guess  
2 I would ask, Alan, if your subcommittee can investigate  
3 whether or not there are additional methods or further  
4 actions forward to ensure the success of NNMI. That  
5 would be work that we would ask your team to do.

6 DR. GREEN: Yes. Mike, thank you. It's a  
7 balancing act. We have also come across some other  
8 very important topics which we feel we could add  
9 inside, and one -- it was raised actually -- I mean,  
10 there's no statement about IP, which is a huge area and  
11 which I think we are now toying with. There are other  
12 items that have come up about funding of SMEs and the  
13 second Valley of Death and working capital. These are  
14 items that we may also -- we are trying to pick the  
15 areas that make the most sense.

16 MS. BROWN: Al, one thing you could also do is  
17 just -- if all the work -- you know, if you're saying  
18 that the work is kind of being done by AMP in this  
19 particular area, I totally appreciate that. If you  
20 just then endorse -- like for example, if you like the  
21 work they're doing and they're already deep-diving on  
22 something, I think this Manufacturing Council could  
23 have a great role with endorsing. You're not repeating  
24 the work, you're not competing with the work, you are  
25 saying I agree with it or I don't.

1 DR. SMYTH: I think it's beyond endorsing. I  
2 think there are specific details that we can have and  
3 we need that in a follow-up.

4 CHAIRMAN LASZKIEWICZ: And I think we're in a  
5 good position to do that. We have two members --  
6 Christie and Eric are both on the AMP Council as well  
7 as this Council, so we have a good access point.  
8 Susan, I can tell you AMP would be more than happy to  
9 have direct input and we have a good opportunity to  
10 take advantage of that, Christie, if you could help.

11 MS. WONG BARRETT: We will do that.

12 DR. GREEN: Mike, I noticed that Mark Johnson  
13 with DOE has his arm waving, almost touching the  
14 ceiling there.

15 (Laughter)

16 DR. GREEN: But Mark Johnson is DOE's  
17 representative --

18 MR. JOHNSON: I just want to make one thing  
19 clear. I know NNMI is a very high-priority item and  
20 we're rolling things out as quickly as they can. As  
21 far as a network effect out of it -- please recognize  
22 there is actually only one Institute to date. There  
23 have been three that have -- and more that have been  
24 announced on selection.

25 They are finishing their contracting processes

1 right now so when people come back and say, well, we  
2 don't have this network in place yet, yes, we recognize  
3 that. People are trying to roll that out as quickly as  
4 possible, but doing it as effectively as possible --

5 CHAIRMAN LASZKIEWICZ: Okay.

6 MR. JACKSON: I'll follow up. But just so  
7 everyone understands as well, AMP is also making  
8 recommendations but there is an interagency Advanced  
9 Manufacturing National Program Office that sits in this  
10 that has published a lot of documents on the areas  
11 you've listed and put them out for public review, which  
12 will actually implement things like the IP criteria.  
13 So that is another touch-point for you all, too.

14 CHAIRMAN LASZKIEWICZ: I think we have had  
15 some input.

16 MS. WONG BARRETT: We have opportunity for  
17 public comment. That was -- the entire group and I  
18 think a number of our members in the Innovation  
19 Subcommittee--pardon my interruption--did make direct  
20 public comment on NNMI IP metrics -- metrics.

21 CHAIRMAN LASZKIEWICZ: Okay. Any other  
22 comments before we ask for a motion to adopt? Any  
23 other comments?

24 (No response)

25 CHAIRMAN LASZKIEWICZ: Do we have a motion to

1 adopt the Innovation Research & Development letter?

2 VOICE: I move that we adopt the Innovation  
3 Research & Development letter.

4 CHAIRMAN LASZKIEWICZ: Do we have a second?

5 VOICE: Second.

6 CHAIRMAN LASZKIEWICZ: All in favor?

7 (Chorus of Ayes)

8 CHAIRMAN LASZKIEWICZ: Opposed?

9 (No response)

10 CHAIRMAN LASZKIEWICZ: Our Innovation Research  
11 & Development letter and recommendations to the  
12 Secretary of Commerce is done. Okay. Two down. Nice  
13 work.

14 All right. I think we are catching up a bit  
15 on our time line here, but we really do want to keep  
16 moving forward here. The next piece of work, I believe  
17 we have as a guest, a returning visitor, Matt Erskine,  
18 to give us an update on economic development.

19 Matt?

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1                   **ECONOMIC DEVELOPMENT ADMINISTRATION UPDATE**

2                   By Matt Erskine, Acting Assistant Secretary

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4                   MR. ERSKINE: Great. Thank you, Mr. Chair.

5                   Good morning. It's still morning. It's good  
6 to see you all again, and I appreciate the chance to be  
7 with you. I will be brief and stick to my time.

8                   I just want to say from the outset, EDA  
9 concurs with the comments from the Council that  
10 economic development and workforce development should  
11 be hand-in-glove and we are excited that workforce  
12 development and skills are, for the first time ever, an  
13 explicit priority for the Department of Commerce, as  
14 you heard from the Secretary. EDA is fundamentally  
15 involved in that across our policies and programs.

16                   What I want to do today is update you on the  
17 Investing in Manufacturing Communities Partnership, or  
18 IMCP, which is easier to say, which as you know is the  
19 administration-wide, whole-of-government economic  
20 development approach which is targeted at accelerating  
21 the resurgence of manufacturing across the country, and  
22 specifically designed to drive best practice locally  
23 led and locally owned economic development strategies  
24 for manufacturing in three ways: 1) taking stock so  
25 helping a community or region identify its comparative



1 strengths and develop a plan to guide long-term  
2 investments in public goods; 2) investing in those  
3 public goods, so providing catalytic funding which can  
4 be matched by industry and localities to seed these  
5 economic strategies, and leverage best practice  
6 principles to coordinate the regional economic  
7 development; and 3) advancing sustainable growth  
8 because investments plus interaction amongst  
9 stakeholders create the lasting local assets like  
10 workforce skills, efficient networks, transportation,  
11 energy, other critical infrastructure research and  
12 private investment, and the multiple advantages of  
13 being in an ecosystem that makes investment stick so  
14 that firms benefit more by staying.

15 We are also looking to incentivize  
16 transformations even among the non-winners, and I'll  
17 talk about that in just a bit. But the IMCP really is  
18 designed to reward and support communities that best  
19 highlight their strengths and demonstrate definitively  
20 that they have effectively integrated their efforts  
21 around workforce training, critical infrastructure and  
22 research centers to attract, retain, and expand  
23 investment in manufacturing.

24 It is an approach that drives approved  
25 economic development results for U.S. communities and

1 regions, as well as improved return on investment of  
2 Federal funds through more effective coordination,  
3 breaking down the silos, as the Secretary talked about,  
4 of existing Federal funds under existing authorities.

5 So this is not new money, but this is trying  
6 to provide more seamless support. We heard earlier, I  
7 believe, talking about companies having a hard time  
8 navigating the different kinds of resources and  
9 assistance out there. So this is really an approach to  
10 help provide more seamless support and also make sure  
11 we have higher quality projects in communities and  
12 regions.

13 So as I think I talked to you last time, phase  
14 one of the IMCP we launched last year with short-term  
15 planning grants. EDA, EPA, USDA--that's Department of  
16 Agriculture and the Small Business Administration--we  
17 announced 44 of these planning grants across the  
18 country, totaling \$7 million, helping communities  
19 develop plans to build strengths in manufacturing  
20 through workforce training, specialized research,  
21 strength and supply chains, improved transportation and  
22 energy infrastructure, export promotion, and better  
23 access to capital. Twenty-six of these grants were  
24 awarded by EDA.

25 We are excited about phase two, which is

1 designating up to 12 communities across the country's  
2 manufacturing communities. These 12 communities in  
3 this first round will receive: 1) the branding and  
4 promotion as a manufacturing community, sort of the  
5 imprimatur that they have their act together; 2) a  
6 designated, dedicated Federal point of contact to help  
7 access the Federal resources; and 3) elevated  
8 consideration for this community for up to \$1.3 billion  
9 in existing funding across more than a dozen Federal  
10 agencies, Transportation, Energy, SBA, USDA, EDA, NIST,  
11 and a host of others.

12           The interest for this was pretty remarkable.  
13 Applications were due earlier this month on April 14,  
14 and we received 78 applications for the 12 winning  
15 spots from across the country. We are scheduled to  
16 make the award announcements in late May. We are in  
17 the process right now with across-agency review panels  
18 assessing and evaluating the applications.

19           And one thing I want to talk about, we will be  
20 awarding 12 manufacturing communities. The important  
21 thing is, and we have been hearing this repeatedly and  
22 I just want to read a statement that actually we have  
23 heard from a number -- several communities, regardless  
24 of the outcome the effort and collaboration that went  
25 into preparing the application has strengthened

1 regional coordination around manufacturing ultimately  
2 in industry clusters bigger than any one city.

3 That spirit has really been throughout this  
4 process from several communities, and so one request I  
5 would like to make with the Council, it may be a multi-  
6 part request and I would be happy to put this in a  
7 letter to the Council, which is, if you could make sure  
8 when we are announcing the 12 communities to engage  
9 with those winners that may be in your communities to  
10 ensure that these truly are successful because we're  
11 focusing on long-term success.

12 But number two, there are going to be very  
13 qualified applications in communities that really have  
14 presented qualified applications that are not going to  
15 get awarded. So there are 78 applications and there  
16 are only going to be 12 communities. We need to make  
17 sure we keep the momentum up and continue to drive the  
18 spirit for those "non-winners".

19 We are looking right now with the White House,  
20 with Commerce, and our agency partners on, for those  
21 non-winners, how do we keep that momentum going that  
22 they have put together? So your help in helping us  
23 think through that, as well as working in your  
24 communities with the partners who came together,  
25 because this was a pretty rigorous process, rigorous

1 application and we want to make sure that we keep  
2 pushing the spirit of regional collaboration forward.  
3 Thank you.

4 VICE CHAIR ISBISTER: Matt, if I could ask a  
5 question. I know Milwaukee submitted--and I'm not  
6 lobbying here--

7 (Laughter)

8 VICE CHAIR ISBISTER: But I'm more concerned  
9 on the other end. I think it's very important to  
10 provide very specific feedback to those communities  
11 that are not successful to understand how they can make  
12 a difference, because we also submitted for one of the  
13 planning grants and was not successful in attaining  
14 that. I don't think we got enough feedback. So I  
15 don't know if we get the feedback from our regional. I  
16 think out in Chicago is our regional EDA, or is there  
17 some other mechanism. But that would be a very  
18 important back-end part of the process.

19 MR. ERSKINE: It's a very important point and  
20 something that we're working on. Number one, what we  
21 always try to do through our regional offices in any of  
22 our programs if an applicant does not get awarded, to  
23 work with them on a consultative basis to make sure  
24 they know where they fell short or what led to them not  
25 being selected and working with them in terms of maybe

1 some of our other programs, whether it be economic  
2 adjustment, or public works, or technical assistance,  
3 or planning.

4 In this case, I think what we're looking to do  
5 is actually a combination of both our regional offices  
6 as well as here out of Washington, together with our  
7 interagency partners. One of the ideas that has yet to  
8 be finalized is holding a conference with winners and  
9 non-winners, so again you're highlighting best  
10 practices, you're also celebrating the winners but  
11 celebrating those that put the effort in creating that  
12 network of learning and collaboration.

13 MR. FRIESEN: Matt, just to follow up on your  
14 point about, you know, how do you -- for the non-  
15 winners, obviously the winner is going to have very  
16 high-profile, free advertising, if you will, about  
17 their communities. It would be interesting to look at  
18 ways in which you could publicize the non-winners, not  
19 as non-winners but rather, this is a community that is  
20 interested in becoming or getting to this level.

21 So, for example, in my community if we were  
22 not to win, the ability to know that the community  
23 applied already does this -- it sort of engenders this  
24 organic assembly of folks so that next time they could  
25 either win or the total intent is gotten by all, not

1 just those winners.

2 MR. ERSKINE: Right. Right. Absolutely.  
3 Great point.

4 MR. PAREEK: Matt, one more question. When  
5 you say "communities", who are the groups that came  
6 together to apply and how much money, just roughly, and  
7 what is the money designated for?

8 MR. ERSKINE: So it ranged from public/private  
9 higher education university and college partnerships,  
10 consortia, if you will, in many communities. In fact,  
11 in the *Federal Register* notice we outlined bringing the  
12 business partnership, the local and State government,  
13 university and community college, technical college,  
14 all of those assets or equities integrated obviously  
15 makes you more competitive.

16 In some cases we may just see a municipality  
17 and in some cases we may just see a university, but my  
18 guess is that of those 78, the vast majority are a  
19 consortia of that public/private higher education  
20 partnership.

21 So on the funding, this is important, I think,  
22 to clarify. You are not guaranteed funding as a  
23 designated community. What you are -- one of the  
24 benefits is, you then receive as a designated community  
25 elevated consideration across those more than a dozen

1 agencies for existing funding across those programs, so  
2 DOT TIGER grants, EDA funding, EPA, SBA, USDA, Energy,  
3 NIST, et cetera.

4 CHAIRMAN LASZKIEWICZ: Matt, thank you for  
5 joining us. Again, we appreciate your attendance at  
6 our meetings.

7 MR. ERSKINE: Thank you very much.

8 CHAIRMAN LASZKIEWICZ: You always seem to get  
9 the most questions.

10 (Laughter)

11 VICE CHAIR ISBISTER: And if you want industry  
12 input into that conference --

13 (Laughter)

14 MR. ERSKINE: Thank you.

15 CHAIRMAN LASZKIEWICZ: Next, we have Roger  
16 Kilmer to talk about Standards and Technology. Thank  
17 you for joining us, Roger.

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1       **NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY UPDATE**

2               Roger Kilmer, Chief Manufacturing Officer

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4               MR. KILMER: Okay. Thank you, once again.  
5 Susan, thank you for the set-up of the role that NIST  
6 needs to play in this.

7               (Laughter)

8               MR. KILMER: Very, very briefly, our four  
9 areas that kind of represent, if you will, the NIST  
10 manufacturing portfolio and give you just a very quick  
11 update in each of those. Those are certainly the  
12 laboratory, the research programs that is really the  
13 core of NIST in its measurement science and standards  
14 work program, AMTech, Advanced Manufacturing  
15 Technology, what the NIST role is in the NNMI, and then  
16 the MEP program is the fourth.

17               If you look at that, that really represents  
18 the complete spectrum from the basic research through  
19 any of the commercialization support to NEP, which is  
20 really out working in the global with primarily the  
21 small- and medium-sized manufacturers.

22               Kind of my role as the Chief Manufacturing  
23 Officer, just to mention it real briefly, is how do I  
24 make sure all of those things are really not only  
25 linked together, but integrated. The kinds of things

1 I'll talk about really support that.

2 My other role is, how do I make sure that it's  
3 connected with the manufacturing community and what  
4 those needs are so that I can help adjust some of the  
5 research agenda internally, but then also if you will,  
6 kind of the sales marketing outreach of this is what  
7 we've got, these are the kinds of things that are out  
8 there available to manufacturers.

9 We have been fortunate over the last three  
10 years in this very austere budget environment to  
11 actually get increases in the research budgets for the  
12 labs and so at this point we've got roughly about \$65  
13 million per year that's been the increase that has  
14 occurred over that three-year time span, really focused  
15 on the complete range of manufacturing research,  
16 everything from smart manufacturing which includes --  
17 to advanced materials and support of the material  
18 genome initiative, to bio and nano manufacturing, to  
19 development of sensing and sensor capability, to the  
20 point of actually developing sensors that have an  
21 inherent self-calibration capability that manufacturers  
22 can implement directly into the manufacturing  
23 processes, or even more importantly into their products  
24 and products that go along that way.

25 One other new area is in the area of centers

1 of excellence. We have established a National Cyber  
2 Security Center of Excellence that has been in  
3 operation for about a year and a half or two years that  
4 is obviously very important in a digital manufacturing  
5 world, and it will become even more so if you talk  
6 about really integrating the complete supply chain  
7 along those areas.

8 The new Center of Excellence, which actually  
9 I'm going out next week to Chicago, Northwest  
10 University is a Center of Excellence in materials,  
11 materials and design, modeling, and the measurement and  
12 technical needs that go along with that.

13 One other area that I'm involved with is doing  
14 a better job of connecting the labs with the new  
15 Manufacturing Institutes that are being created. We  
16 have done a reasonable job so far with America Makes,  
17 formerly NANI, in terms of connecting our researchers  
18 with the folks that are doing the projects in the  
19 additive area, and we'll continue to do that as the new  
20 institutes are brought up and operating.

21 AMTech is a relatively new program. We are  
22 about to make a number of awards next month. It's a  
23 program that is designed to help form local or regional  
24 consortia focused on manufacturing in those regions to:  
25 1) help to bring and coalesce the different

1 stakeholders and pull them together, but the real  
2 product out of that is to develop some road maps, and  
3 the road maps being, what is that particular industry  
4 sector, the manufacturing industry in that area -- what  
5 do they see as their needs? What do they need to link  
6 that together?

7 To me, that is really a two-for out of that  
8 project in terms of, pulling the consortia together  
9 obviously leads to possible application to the  
10 Manufacturing Institutes. It helps to form and, if you  
11 will, plant some seeds there. From a laboratory  
12 perspective, the road maps are important for me in  
13 terms of identifying, what are those research needs and  
14 how do I get that integrated into the research agendas  
15 of the laboratory?

16 We talked quite a bit about the NNMI and NIST  
17 being the home for the interagency National Program  
18 Office and doing the coordination. We talked about  
19 some of the reports that they've produced in terms of  
20 IP. They are also working on the broader performance  
21 metrics for the institutes, and also kind of  
22 developing, what does a national network mean? How do  
23 you actually link these institutes together and how can  
24 we share best practices across those institutes?

25 This national program office is also the

1 primary support for the AMP 2.0 work that several of  
2 you have talked about and the one other element that  
3 has come out of that office that NIST is involved in,  
4 we invested \$7 million in measurement science awards  
5 out in the additive area.

6 Two awards were made, one to America Makes,  
7 another to Northern Illinois University, to really look  
8 at, what are the measurement needs and possible  
9 approaches to support the additive manufacturing  
10 technology areas.

11 In terms of MEP, there is a current emphasis  
12 on, how do we get technology into the hands of small-  
13 and medium-sized manufacturers? One of the ways that  
14 we have structured to do that, is let's look at it from  
15 a supply chain perspective so that if you're in the  
16 automotive industry, what are those kinds of things  
17 that you need, et cetera, and have made awards to five  
18 different groups centered around the MEP centers to  
19 focus on, what is the business model.

20 From MEP it's always a challenge, since  
21 they're one-third funded by the Feds. You know, what  
22 can they do to actually make this productive? I know,  
23 Mary, you're involved with it. Jeff, you, likewise, on  
24 the advisory board. How can this best be structured  
25 and what are the best practices and lessons learned out

1 of that?

2           There also is, how do we connect and use the  
3 MEP centers as a conduit to connect with the  
4 Manufacturing Institutes. I think one of the  
5 challenges that the folks at America Makes have  
6 recognized, and I'm sure the other institutes will, how  
7 do you get the small- and medium-sized guys to play in  
8 the institutes? It is a challenge. The MEP centers --  
9 it's a conduit for that. Again, I think in the supply  
10 chain perspective is one way -- the framework to do  
11 that.

12           And then the last thing, I know you've talked  
13 a little bit about the image thing and identified  
14 manufacturing day. MEP has been a big player, a co-  
15 producer of both last year and this year and involving  
16 the centers to link local manufacturers, doing that  
17 outreach to really support and grow what manufacturing  
18 day was last year, and hopefully it will be a lot  
19 bigger this year.

20           CHAIRMAN LASZKIEWICZ: Thank you, Roger.

21           Moving on, the next update, you'll recall that  
22 our first letter of recommendation was our corporate  
23 tax reform letter. The corporate tax team has taken on  
24 two additional pieces of work. They plan  
25 recommendations around improving exports and they have

1 been working very intensely as of late on an SME tax  
2 reform recommendation.

3 Steve, I'd like you to take a few minutes.  
4 This is not a part of the process where there's going  
5 to be any approval, we're just getting an update from  
6 Steve on his subcommittee's work.

7 Steve?

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1           **TAX POLICY AND EXPORT GROWTH SUBCOMMITTEE UPDATE**

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3           MR. BRAIG: Thank you, Mike.

4           So we have two separate updates and I will be  
5 brief and I will talk fast. So we presented a tax  
6 policy recommendation letter, as you recall, in January  
7 and subsequently many of you have pointed out that  
8 these recommendations do not necessarily apply to pass-  
9 through companies, or what we call SMEs.

10           So roughly about 80 percent of manufacturing  
11 companies in the U.S. are SMEs, or S corps, or  
12 partnerships. Few of these companies enjoy the  
13 incentives outlined in our original tax letter or  
14 current incentives which are currently in place  
15 supporting manufacturing companies.

16           Yet, these are the companies that need tax  
17 relief the most to finance manufacturing expansion of  
18 their companies. We met yesterday as an ad hoc  
19 subcommittee, or as a task force, I think the official  
20 name is, and we discussed again specific needs of SMEs.

21           We had Bill Randolph from Treasury at the meeting and  
22 we are very grateful for his candid opinion and for  
23 guidance that they offered during our discussion.

24           So first before I get to the specific  
25 recommendations, one thing that we would like to stress



1 is that as industries in general, and especially a  
2 capital-intensive industry like manufacturing, require  
3 tax policy stability to support plans for growth.

4 We ask that all the tax policy recommendations  
5 which we are going to make here in this letter be  
6 permanent rather than extended with a planned  
7 expiration date. So to the specific recommendations,  
8 the first one centers around Section 179, depreciation.

9 So we will be asking for permanently allowing  
10 manufacturing businesses annually to expend up to \$1  
11 million in expenses with a \$2 million phase-out. We  
12 understand that this is in line with the suggestion of  
13 the administration as well.

14 R&E tax credit. We have already mentioned the  
15 importance and the interdependency of R&E or R&D  
16 activity with manufacturing in our original letter. We  
17 are asking here again to make it permanent at 20  
18 percent.

19 So the one item that the original letter is  
20 missing is that the policy objective for this program  
21 is undermined by the AMT for many SMEs. So we have  
22 previously discussed, and again there is more work  
23 around this subject, but we have briefly discussed  
24 three possible ways to address this particular subject.

25 One is to allow R&D tax credits to be

1 classified as a preference under the AMT. Number two,  
2 allow for the sale of unused R&E credits for companies  
3 that can capitalize on it, to companies that can  
4 capitalize on it. Then a third possibility, make it  
5 refundable against payroll taxes or other taxes  
6 actually paid by businesses. Again, this needs probably  
7 a little bit more work and research. We ultimately  
8 would like to focus on one recommendation here.

9           The next specific recommendation centers  
10 around Section 199. We also would like to see that a  
11 permanent incentive for manufacturing capitalists and  
12 raise the cap from the current 9 percent to 10.7  
13 percent, which is also in line with the recommendation  
14 by the administration. Then lastly, and this, Mike, is  
15 also an area where we need a little bit more work, this  
16 centers around a reinvestment income credit. We are  
17 currently researching what the actual effective tax  
18 rates are of different corporations.

19           What we have seen up to this point is that C  
20 corps, on average, have an effective tax rate of  
21 approximately 18 percent, and the effective tax rates  
22 for S corps, partnerships, pass-throughs are in the 30  
23 percent range.

24           So here we are looking for specific  
25 recommendations again that tie back to funding

1 manufacturing activity expansion. So that is the work  
2 or that is the output of the work of our task force  
3 yesterday, and I invite anybody on the task force, if  
4 you have additional comments or if I left out anything.

5 MR. SAUNDERS: I would just add one comment.  
6 One of the discussions we had is, how do we get the  
7 word out to small- and medium-sized businesses, because  
8 a lot of folks out there just don't know about some of  
9 these things. So that's going to be a part of the  
10 discussion as well, is getting the word out.

11 MR. BRAIG: Yes. Thank you.

12 Any other comments, questions, suggestions?

13 (No response)

14 MR. BRAIG: Okay. Then moving to the trade  
15 and export growth initiative, and again, we still have  
16 quite a bit of work to do but our objective here is for  
17 sure to present you with a draft letter within the next  
18 couple of months. This is possibly something that has  
19 to be done, because we don't have a meeting in the  
20 summer, Mike, through email or through a phone  
21 conference so that we can present and adopt, hopefully,  
22 a final letter in the phone meeting.

23 CHAIRMAN LASZKIEWICZ: If I could just make a  
24 comment. I think what we will have to add is a mid-  
25 summer review session with the full Council in order to

1 ensure we have the best possible chance for our October  
2 meeting for final review and approval of any remaining  
3 work we have at that time. Yes, so we will take a look  
4 at that.

5 MR. BRAIG: Okay. Okay. Thank you.

6 I know shortly we would like to take Ken up on  
7 his offer, working with Pat in making sure that our  
8 recommendations are feasible and are in line with what  
9 the administration sees. So I'm very excited about  
10 that.

11 So here again, I'll try to be brief. Up to  
12 this point, I mean, we are focusing on five specific  
13 recommendations. The first one centers around existing  
14 programs so there's not much new there, but we think  
15 it's worthwhile pointing out what works. We found that  
16 some of the existing programs, like trade missions,  
17 gold keys, things like that, they're valued by  
18 manufacturing companies. We are asking for continued  
19 support and possibly expansion of those programs.

20 Along those lines with what already works or  
21 what is existing is data. The government obviously has  
22 a lot of very valuable data that is of considerable  
23 value to businesses in making decisions and expanding  
24 into new markets, for example.

25 Here, also, coming back to Avram's comment, we

1 also should find a way that we can make these programs  
2 more transparent because I'm still surprised when I  
3 talk to peers on how little of these great efforts are  
4 actually known in the business community. But again,  
5 so the first step is continued support and expansion of  
6 existing programs.

7 The second point focuses on compliance and  
8 regulatory issues. So one is simplifying the  
9 regulatory burden of exporting and there are some  
10 initiatives like single window or ITDS trade  
11 facilitation, so we think these are excellent  
12 initiatives and thoughts that we would like to see  
13 implemented, so we will have a specific recommendation  
14 around that.

15 Then something that resonated with all of the  
16 members of the subcommittee is the definition of U.S.  
17 content. U.S. content is a very important metric for a  
18 lot of different programs, such as, does a transaction  
19 qualify for insurance under the Ex-Im Bank, for  
20 example? It defines duty rates for export and many  
21 other things.

22 Currently, the definition of U.S. content is  
23 done on a case-by-case, piece-by-piece, and that  
24 creates an enormous regulatory burden actually to the  
25 extent that some of the member companies of our

1 subcommittee are not even worry about compliance  
2 because, again, the effort is far larger than the  
3 benefits under it.

4 So what we would like to see and will be in  
5 the letter as a recommendation is that the average  
6 content of a product line or of a platform will be used  
7 to determine U.S. content, so these two points to  
8 compliance and regulatory issues.

9 The next one features around trade, trade  
10 specifically, so the execution of TPP and TTIP and  
11 additional trade agreements that make it easier for  
12 many of our manufacturing companies to have easier  
13 access to certain markets. I think one that is always  
14 on the forefront there is Brazil, for example, how you  
15 import taxes and a lot of regulatory burdens and is a  
16 sizeable market.

17 We are also thinking of including an  
18 endorsement of TPA in our letter because I think all of  
19 us, at least in order to have efficient and effective  
20 trade negotiation, we think that the administration  
21 absolutely needs trade authority, so we're thinking of  
22 putting that into the letter.

23 Also around trade, new trade agreements are  
24 great and needed but we also need to focus more on  
25 enforcement of existing trade agreements. Here, I

1 mean, we have many examples. We actually want to be  
2 specific with examples around IP protection, again, in  
3 existing trade agreements, as well as subsidies by  
4 state-owned enterprises.

5 And also, as we briefly discussed yesterday,  
6 IP protection as it pertains to activities by NMMIs and  
7 as they commercialized their ideas and -- and also  
8 export them. So that was number three, centering  
9 around trade.

10 Number four. The Ex-Im Bank charter is  
11 expiring in September of this year. We all believe  
12 that the Ex-Im Bank is a very valuable thing to many  
13 member companies and we would like to see, and we will  
14 recommend--although from a timing standpoint the  
15 charter expires in September.

16 We are planning on having a letter adopted by  
17 October, so the timing there might not be very  
18 opportunistic. But nevertheless, we would like to have  
19 the letter to extend the charter of the Export-Import  
20 Bank for at least a minimum of five years and possibly  
21 also increase and expand the available funding.

22 Then I think lastly, and I think this is  
23 something that Jeff Wilcox and his team have regularly  
24 worked on and there's the support of exporting  
25 opportunities of MEPS, possibly through Export Tech and

1 using exports in general for MEPs as a growth strategy.

2 Mike, these were all the comments that I have  
3 as a summary from our meeting yesterday and I would  
4 like to ask Jeff or anybody on his team maybe to  
5 comment on this a little further.

6 MR. WILCOX: Yes. I think you captured  
7 everything that we wanted to make sure was a part of  
8 the discussion, so I don't have any extra comments.

9 MR. BRAIG: Okay.

10 DR. GREEN: I have a question. I wonder if  
11 you can -- regarding U.S. content, I wonder if you  
12 could take a broader look at this because -- in terms  
13 of what constitutes Made in America or Made in the  
14 U.S., because it's a mess right now. Very  
15 specifically, it does not incorporate things like  
16 intellectual property. It is simply BOM related. It  
17 makes it -- it just makes it -- it penalizes U.S.  
18 manufacturers in ways that just don't make sense, and I  
19 would really encourage you to take a look at that.  
20 It's a mess right now.

21 MR. BRAIG: Yes. Thank you, Al. In the  
22 interest of being brief, I didn't get into that. But  
23 we very much, when we discussed this yesterday -- so a  
24 value-added contribution to a product like design, for  
25 example, it's currently a mess, yes. That would be



1 part of our recommendation as well.

2 MR. KELLY: I was going to say the same thing,  
3 so just to echo that, U.S. content versus U.S.  
4 manufactured. They're two distinct things.

5 MR. BRAIG: Yes.

6 MR. KELLY: And the way it is today, and we  
7 were talking about it yesterday as well, U.S. content  
8 doesn't really address the issue the way it's  
9 structured. So basically there's no teeth to it.

10 MR. BRAIG: Yes. Thank you.

11 MR. FRIESEN: I was going to make precisely  
12 the same comment as Al and just extend it to say that  
13 one thing that I think would be interesting to look at  
14 is if it's possible to build, in the same way that you  
15 hire Team N or 88 to do your stock option evaluation,  
16 you might look at getting Infinite firm to apply  
17 evaluation to IP content to set sort of the implicit  
18 value of U.S. content as opposed to BOM or purchase  
19 value.

20 MR. KELLY: Right. Right.

21 MR. FRIESEN: And so it allows you to sort of  
22 put a gap type framework around how you put that  
23 valuation together. It's something that I think it  
24 would be interesting to just dig into another level.  
25 Is it possible to structure in a way the approach to

1 valuing IP content and using that as the basis for U.S.  
2 content?

3 MR. BRAIG: Yes. Yes. Thanks, Cody.

4 CHAIRMAN LASZKIEWICZ: So Steve, you have an  
5 impressive list of actions worth consideration. I'm  
6 sorry, I'm going to jump on the bandwagon here and ask  
7 at least either from an advisory perspective or as a  
8 component of your recommendations related to trade  
9 agreement negotiations, I think we also have to look  
10 very carefully at those countries in the world that  
11 disadvantage imports, which makes it particularly  
12 difficult for our SMEs to export due to their local  
13 content requirements. So it goes a little bit both ways  
14 and we want to make sure that we advantage those --  
15 fair trade.

16 MR. BRAIG: Yes.

17 MS. BROWN: I think on a final closing point,  
18 every one of those five recommendations, there's  
19 experts within DOC that can give you briefings on each  
20 one of those topics. So I can see you all having a  
21 very busy summer if you want to delve into a lot of  
22 these issues because there's lots of information out  
23 there.

24 CHAIRMAN LASZKIEWICZ: Okay.

25 Yes?

1 MR. SWEATMAN: If I could drop back to the --  
2 for just a minute.

3 CHAIRMAN LASZKIEWICZ: Please. Please.

4 MR. SWEATMAN: You didn't mention bonus  
5 depreciation. Is that going to be part of the  
6 consideration and recommendation?

7 MR. BRAIG: We did talk about that, Roy, and  
8 the recommendation of Bill Randolph was not to push for  
9 that because that bonus depreciation, by definition,  
10 has been implemented as a stimulus for the last two  
11 recessions. His thought was, particularly if we're  
12 looking for permanency, that this is probably -- would  
13 not get considered. So we talked about it.

14 I mean, this is -- I mean, this is why we are  
15 talking about this, to seek your input. I mean, we  
16 pull out, like, Bill's recommendation, but if anybody  
17 here feels strongly differently, then let's talk about  
18 it.

19 VICE CHAIR ISBISTER: There was a lot of  
20 discussion and it was the offsetting of riding the base  
21 versus offering -- and, you know, Bill's guidance I  
22 thought was good in that we didn't have to necessarily  
23 seek revenue neutrality, but we had to think about what  
24 some of the trade-offs would be.

25 In the current administration, I think asking

1 for this grouped together as a growth agenda is very  
2 positive and has a lot of legs to it. We just don't  
3 want to push the envelope to the point where, you know,  
4 we're not going to achieve at least this. So not to  
5 say that the subcommittee couldn't take more  
6 conversation around it, but you wouldn't have to have  
7 something to trade off and offset, potentially.

8 CHAIRMAN LASZKIEWICZ: Okay.

9 Steve, any last comment?

10 MR. BRAIG: No, unless anybody from the  
11 subcommittee task force -- I think I was looking a  
12 little bit for comments and direction on the tax  
13 policy, on the export and trade policy, because we  
14 haven't really shared the work here with the Council.

15 CHAIRMAN LASZKIEWICZ: Yes. I guess my  
16 feedback to you would be that you've got a long list,  
17 and as we have had to do with all of the subcommittee  
18 work, really understanding which will have the most  
19 impact and prioritizing those would be, I think, the  
20 request of the Council.

21 MR. BRAIG: Okay. Okay. Understood.

22 CHAIRMAN LASZKIEWICZ: Okay.

23 Our next piece of business is review of the  
24 Manufacturing Energy Policy letter. Carol, thank you  
25 for leading the charge here.

1                   **DISCUSSION OF MANUFACTURING ENERGY POLICY**

2                                   **SUBCOMMITTEE RECOMMENDATIONS**

3  
4                   MS. C. WILLIAMS: You're welcome. Joel  
5 actually has a Board of Directors meeting today so I  
6 will sub for our committee, which we really appreciated  
7 all the comments that did come in. I hope you see them  
8 addressed in the version that you had. I think we  
9 actually took into consideration all the comments that  
10 we received.

11                   The things that were added, though, one of the  
12 things that we got from Liz yesterday was that the  
13 Secretary did ask us some questions, like I think she  
14 did on several of the letters. So her questions were  
15 around, who leads the study, how does it get led,  
16 what's happening, what does it do, those kinds of  
17 questions.

18                   So the things that you see in the letter that  
19 are a little different: 1) we have a section on the  
20 fact that things continue to change, that there is a  
21 focus in the Ukraine today around, you know, Russia  
22 turning the valve off, and so what does that do to some  
23 of our partners in Europe, and that those are things  
24 that are going to continue to be issues.

25                   We added some references in to give you some

1 examples of the benefit that you're seeing in the U.S.  
2 on the pricing situation versus others. We also added  
3 an example on the production side, so we had an example  
4 on the users of energy side and we said the volatility  
5 issues were around also the producers of the oil or the  
6 natural gas.

7 So we're not trying to say this is one way or  
8 the other, and that's been part of the challenge in  
9 this study request is to balance the fact that we don't  
10 have a predetermined answer. We're trying to look for  
11 what is the optimization for this country as we move  
12 forward? So those are things that were different.

13 We also then articulated more for the  
14 Secretary what we thought the study included and why we  
15 felt the Department of Energy or the Department of  
16 Commerce should be the one that leads this because it's  
17 focused on the economic side as you move forward, not  
18 just what the resource issues are.

19 So any questions?

20 (No response)

21 MS. C. WILLIAMS: Any comments from the  
22 committee members, Cody or Fred?

23 (No response)

24 CHAIRMAN LASZKIEWICZ: I think what I would  
25 like to say here, Carol, is that you all had a very

1 tough challenge. It's a complex issue with much  
2 diversity of opinion about the path forward. What I  
3 like about your recommendation is that it emphasizes  
4 that the more data we can use to make decisions, the  
5 greater the likelihood that we'll make good decisions  
6 independent of political whims, would be my best way to  
7 summarize my interpretation of the letter.

8 MS. C. WILLIAMS: I think that's right. And  
9 my one comment too that I would note is that it is  
10 incredibly specific. That's what we really like. This  
11 is very actionable. We can take this, we can see your  
12 questions. It's very nicely done, so it's one of the  
13 benefits that when you have one specific -- that you  
14 can't really deeply -- hopefully we can work on  
15 overcoming that in the future.

16 CHAIRMAN LASZKIEWICZ: So with that I am  
17 asking if I hear a motion for adoption of our Energy  
18 recommendations.

19 VOICE: So moved.

20 CHAIRMAN LASZKIEWICZ: Do I have a second?

21 VOICE: Second.

22 CHAIRMAN LASZKIEWICZ: All in favor?

23 (Chorus of Ayes)

24 CHAIRMAN LASZKIEWICZ: Opposed?

25 (No response)

1           CHAIRMAN LASZKIEWICZ: Congratulations, Energy  
2 team. The letter is accepted. Very good. Okay.

3           We're in the home stretch here. First of all,  
4 congratulations on the business we've completed so far.  
5 Clearly, the Secretary wanted to see these  
6 recommendations move forward so that we can move into  
7 action and we have completed that work.

8           Before we end this morning, or this early  
9 afternoon, we have just a couple of additional updates  
10 I'd like your attention for. First, as we have talked,  
11 the Secretary has made clear that the work of the AMP  
12 team in a few areas runs very much in parallel with our  
13 work as a Manufacturing Council.

14           I think what was also clear is that we can  
15 amplify action and execution and implementation if we  
16 leverage the work of one another as best we can. One  
17 way we do that is with Eric and Christie participating--  
18 -God bless them--on both Councils, which I know is a  
19 tremendous amount of work.

20           So I want to thank you again for that as I ask  
21 Eric to provide an update. I believe we have, from the  
22 Department of Energy, Mark Johnson with us here also.  
23 Mark will make some closing comments after Eric.

24

25



**AMP UPDATE**

1  
2  
3 MR. KELLY: Let me just give a brief update on  
4 the AMP committee. Let me just briefly talk about kind  
5 of the areas of focus they have just to show you where  
6 the commonality is. The first area focuses on the  
7 transforming of manufacturing technologies, the second  
8 is the manager of workforce development.

9 You'll see as I go through some of the areas  
10 of focus they're very consistent with what we're  
11 working on as well. There is a national network for  
12 manufacturing innovation -- in my -- scale-up policy,  
13 and then the image for manufacturing.

14 I'll just briefly talk a little bit about what  
15 those particular focus areas' goals are. Goals for the  
16 transformative manufacturing technologies is: 1)  
17 understand the current state, both the drivers, the  
18 landscape, the vision, and also select specific areas  
19 of what they call the manufacturing technology areas;  
20 identify gaps and challenges and then develop action  
21 plans and improvements for our competitiveness  
22 globally.

23 The three areas that they selected for MTA is  
24 advanced -- platforms for manufacturing, visualization,  
25 informatic and digital manufacturing and advanced

1 material manufacturing. They had a host of  
2 recommendations and I won't go through those, but just  
3 to highlight a few on developing regional technology  
4 capacity and then create a national -- manufacturing  
5 consortium.

6 I would just kind of go through the second --  
7 which is the demand-driven workforce development goals.  
8 One, develop demand-driven workforce solution to  
9 develop technical skills and models that generate long-  
10 term employment.

11 Again, this is really interesting. They  
12 developed some very detailed pilots. They had four  
13 pilots, one around regional apprenticeship and  
14 internship modeling. So pilots one and two were led by  
15 three companies: ALCOA, Dow, and Siemens.

16 They developed what they call an employer-  
17 driven model in Texas and in California, working with  
18 the community colleges. Pilots three and four, which I  
19 think are pretty interesting because they brought up --  
20 I know Mary mentioned one in her State, this one was  
21 led by the South Central College in Minnesota where  
22 they have 24 community colleges that collectively are  
23 working with employers to have a framework of an  
24 apprenticeship program so no matter which college you  
25 go to you get the same curriculum so the employer knows

1 no matter which 24 graduates they hire, they have the  
2 same skill set.

3 The other one was led by Harper College in  
4 Illinois, which is really a program that was tied to  
5 the metrics, so, you know, very soon where we could  
6 actually have some best practices there.

7 Team three, National Network for  
8 Manufacturing, NNMI. I mean, you've already talked  
9 about that. Their goal is to develop communications  
10 and operational protocols on how they actually work  
11 with that organization, or scale-up policies. This one  
12 would really -- to accelerate the commercialization of  
13 technology and specifically focused on small- and  
14 medium-sized enterprise companies. That was very  
15 interesting and we had a lot of discussion there.

16 Then the final one, which was the image for  
17 manufacturing and changing the perception. I had an  
18 opportunity to spend time with them talking about that,  
19 and they have very similar strategy, very similar  
20 approach in terms of a national campaign, how do you  
21 change what manufacturing is like and what it looks  
22 like in the future, both for the same areas, whether  
23 it's junior high school, high school, community  
24 colleges, and universities.

25 So that's a quick summary of what they're

1 doing. One of the things that we did discuss yesterday  
2 evening, and they're very excited in terms of, how do  
3 we collaborate together, you know, they're interested  
4 in coming to the RNX meeting and presenting to us in  
5 terms of what they're doing.

6 They're willing to have subcommittee meetings  
7 where they work with the various subcommittees that  
8 match what they're doing. So they're definitely  
9 interested in making sure that all the work that  
10 they've done is handed off to someone to continue  
11 moving it forward.

12 So I will open it up for any questions.

13 CHAIRMAN LASZKIEWICZ: I guess I'd also ask  
14 Christie if she has any comments before we open it up.

15 MS. WONG BARRETT: I think just to add on  
16 across the five areas that the team is working on in  
17 AMP, there is a question on how long AMP will exist.  
18 It is a working team that was convened through the  
19 executive offices, so there was a call to action  
20 yesterday by the Secretary to make sure that the AMP  
21 teams think about a way to house the findings or to  
22 pass on the information to those organizations and  
23 entities either in government or Councils such as the  
24 Manufacturing Council to continue the good work that  
25 has been done.

1           So I think along the themes of our goal of  
2 manufacturing innovation, sustainabiliy, and  
3 competitiveness, the specific areas that they're  
4 working on around transformative technologies, how to  
5 diffuse those more rapidly into our manufacturing base,  
6 to the extent that we can be open ears to what they've  
7 done to I guess build upon what's been done before,  
8 integrate it into what we're thinking about here,  
9 because I think those themes of competitiveness growth  
10 innovation are going to last beyond this Manufacturing  
11 Council, so I will just encourage us to find a way to  
12 have that debriefed because there will be a time where  
13 there's a question mark on AMP's time line. So, we'll  
14 need to find a home for some of the findings.

15           The other point I will make is I think it's a  
16 very large working group operating at very different  
17 levels of the organization's membership, so what we'll  
18 need to do is connect the people and subcommittees here  
19 to the individuals that are working on the specific  
20 areas of adjacency.

21           I think Eric and I know those names so it may  
22 not be that you're working through Eric and myself. It  
23 may be that we connect the subcommittees to the right  
24 folks because AMP is, you know, 100-plus people working  
25 on this.

1 MS. BROWN: I would add, attending the meeting  
2 yesterday, two things. The Secretary, as you can tell,  
3 was very similar in her message about implementation,  
4 implementation, and working together, working together.  
5 So she was highly encouraging that we need more  
6 interaction between both.

7 I would say I think one of the things that she  
8 also really liked, and then the change on just calling  
9 out the workforce letter for a moment, your comment on,  
10 how does the Council intend to partner with and  
11 incorporate recommendations from AMP? It was kind of  
12 the same thing we talked about, whether you will  
13 endorse NMI or not or whether you have the same things.

14 Like, this Council as a continuing body has a  
15 very huge role to play and I would encourage all the  
16 committees, you know, to have something like that on  
17 there, how do you want to interact with them if you  
18 like it, if you don't -- amplifying? There's a whole  
19 bunch of things that can be done. So it's another  
20 great way of your work here being triply amplified as  
21 you take some of the things that they're doing.

22 I don't know if Mark would like to close.

23 CHAIRMAN LASZKIEWICZ: Mark, would you like to  
24 take a minute or two?

25 MR. JOHNSON: Great. Sure. So I'm Mark

1 Johnson, the Director of the Advanced Manufacturing  
2 Office at the Department of Energy. Libby Lehman  
3 usually comes. She leads the Clean Energy Manufacturing  
4 Initiative. She is unfortunately unable to join today  
5 and sends her regrets.

6 A couple of things, just to give a quick  
7 update on things that are going on within the  
8 Department of Energy. So the Clean Energy Manufacturing  
9 Initiative, this is a matrixed organization in terms of  
10 cross-cutting manufacturing in the multiple places  
11 within the Department of Energy where manufacturing has  
12 touched.

13 The Secretary asked that that be elevated to  
14 what's called a Tech Team, which are one of the six  
15 official cross-cutting areas across the highest  
16 priority areas or leadership across the Department of  
17 Energy. I think the interesting thing in working  
18 across that, the Clean Energy Manufacturing Initiative  
19 started within the Energy Efficiency and Renewable  
20 Energy Office of Department of Energy.

21 Groups ranging from the fossil energy group,  
22 the nuclear energy group, basic science group, ARPAE,  
23 they're all interested because they all see that they  
24 both have a manufacturing problem, and in solving those  
25 manufacturing problems we wind up furthering both how

1 we use energy and how energy can be used as a  
2 competitive advantage for the nation. So, very, very  
3 strong support across that, a lot of cross-cutting  
4 technical developments.

5 We actually, in support of the AMP team, wound  
6 up holding a series of teleconferences with the working  
7 groups--they were working a lot and they totally know  
8 that that was a big load for you all--drilling down  
9 into everything from, what are the technical  
10 development challenges people have to why the issues,  
11 why these are things that industry cannot solve for  
12 itself, so we try to figure out those public/private  
13 partnership roles.

14 One of the things we're working hard on also  
15 is within Department of Energy we have a number of  
16 unique assets that we've used, national science and  
17 technology assets. How do we get them out to the  
18 manufacturing sector more effectively?

19 So first of all we were on the network of  
20 national labs through Department of Energy and we are  
21 looking at holding a workshop May 22nd; we're renaming  
22 it because there's a whole issue on using the word  
23 "fellows" in terms of Federal budget.

24 But it's essentially an exchange program  
25 between manufacturers and national labs, not to solve a



1 specific problem but more, how do you bring someone who  
2 is, say, in your CTO's office and spend significant  
3 time within the national labs to learn, where are all  
4 the assets that are available that industry could  
5 utilize and then have a number of CREDAs or  
6 public/private partnerships being the outcome of that.

7 So instead of saying I'm just going to take a  
8 scientist and put them down at XYZ national lab and do  
9 some specific problems, how do we build those  
10 partnerships better? So we're really trying to work on  
11 that.

12 The other part is, you look at the high-  
13 performance computing assets, that's one of the type of  
14 assets where we have a huge capital infrastructure.  
15 How do we get those out to work with the manufacturing  
16 community more effectively?

17 This certainly leverages off the NNMI model,  
18 but because these are unique assets that are within the  
19 national labs we're trying to work through, what's that  
20 public/private partnership model where you'd have  
21 something that would be an NNMI type thing on the  
22 private sector or in a consortium, but then the labs  
23 just have that resource there where they are either  
24 buying cycle time or however we wind up using it.

25 This can range from new materials discovery

1 to, you know, taking a very energy-intensive process we  
2 might have, building real detailed, physics-based  
3 models so you can actually manage the energy within  
4 that much more effectively. This is to complement the  
5 Census-based controls work that NIST is working on as  
6 well. So, we're really working through that and I  
7 would look more to that in the next coming weeks.

8 On a number of public engagement efforts  
9 through the Council on Competitiveness, we held two  
10 weeks ago an event in the Bay Area, the Clean Energy  
11 Summit, looking at having September 17th a national  
12 summit on clean energy back here in the DC area,  
13 partnering with the Council on Competitiveness.

14 Then next week we actually have our annual  
15 Better Plant Summit. So the Better Plants program is  
16 an energy efficiency, what we call technology  
17 assistance program and basically it's getting  
18 corporate-level commitment to energy efficiency and  
19 driving energy productivity.

20 I think you all know that your energy manager  
21 is probably sitting down in a plant, probably down in  
22 the bowels of the organization, and is fighting your  
23 CFO to get money for energy efficiency. But that  
24 energy efficiency correlates directly to bottom line, I  
25 think, right?

1           So it does a huge thing to have a corporate  
2 level commitment where the board says, yes, we are  
3 committed to having, over a 10-year period, a 25  
4 percent productivity improvement based on energy  
5 efficiency. That changes the dialogue for how you  
6 adopt those energy efficiency -- so that event is going  
7 to be held up here at the Hilton just a few blocks  
8 north of here next week.

9           NNMI is the big activity that we're spending a  
10 lot of time in technology development. My office, the  
11 Advanced Manufacturing Office, is the office where  
12 budget implementation on DOE-led NNMI goes through, so  
13 our contribution to both America Makes and the Wide  
14 Band Gap Institute are run through there. We currently  
15 have a solicitation on the Advanced Deposits Institute,  
16 so I really cannot talk about that because it's a live  
17 solicitation. But this is looking at advanced  
18 composites.

19           But I would point you to requests for  
20 information that we just issued about a week ago. It's  
21 open for a month here.

22           CHAIRMAN LASZKIEWICZ: I am going to have to  
23 ask you to kind of bring this to a close. You can send  
24 us a --

25           MR. JOHNSON: This is the last thing.

1 CHAIRMAN LASZKIEWICZ: Okay.

2 MR. JOHNSON: Because people are wanting input  
3 on what DOE's interests are in NNMI's. If you want that  
4 input, please respond through that mechanism. That is  
5 absolutely a wide open opportunity.

6 CHAIRMAN LASZKIEWICZ: Please, as we've asked  
7 other guests, put your notes in a summary email and  
8 we'll make sure that it gets distributed to everyone.

9 MR. JOHNSON: Thank you.

10 CHAIRMAN LASZKIEWICZ: Thank you.

11 Before we go to the close, we have had a guest  
12 join us. Vinai Thummalapally. I'm sorry if I didn't  
13 pronounce that correctly. Vinai is the Ambassador  
14 responsible for the Select USA Investment Initiative.  
15 We'd like Vinai to introduce himself. His job is going  
16 out and selling the U.S. economy and the U.S.  
17 infrastructure to foreign investors to invest in the  
18 United States.

19 Vinai, thank you for joining us.

20 MR. THUMMALAPALLY: Thank you, Mike. Just a  
21 quick pronunciation: Vinai Thummalapally.

22 CHAIRMAN LASZKIEWICZ: I apologize.

23 MR. THUMMALAPALLY: I know you were smiling  
24 when Jenna brought you the name. I said, Mike, you  
25 shouldn't be smiling, look at your own name!

1           CHAIRMAN LASZKIEWICZ: I know! That's why  
2 I --

3           (Laughter)

4           CHAIRMAN LASZKIEWICZ: That's why I felt bad  
5 because with a name like Laszkiewicz, I have to make  
6 sure to pronounce others' correctly. So I apologize.

7           MR. THUMMALAPALLY: See, you can call me Mr.  
8 T. I'm executive director for Select USA. Prior to  
9 this I was serving as Chief of Mission in Central  
10 America, but prior to that, 31 years I ran a business.  
11 I'll keep this brief.

12           I'm an engineer by training. For 14 years I  
13 ran a business for a Japanese company making compact  
14 discs, DVDs, and Blu-ray, high-tech in the mid-'90s  
15 with the plant in Colorado, did the whole foreign  
16 investment, and I was the one who ran their business  
17 for them.

18           So I knew a thing or two, so here I am doing  
19 this job, trying to tell the story of why the U.S. is a  
20 good place--a great place--to invest. As the Secretary  
21 and the President said, it's never been a better time  
22 to invest in the U.S. for many of the reasons that you  
23 are very familiar with.

24           We are currently building out of the Select  
25 USA program thanks to congressional appropriations that

1 just came our way for the first time, so we're sort of  
2 in our infancy in many ways so we wanted to be  
3 relevant.

4 One of the things in the executive order that  
5 the President signed two and a half years ago is he  
6 talked about Select USA to be the premier investment  
7 promotion authority for the Federal Government in the  
8 United States. There's a piece in there that says to  
9 understand what the impediments are, both real and  
10 perceived, and to report regularly to the White House.

11 So I ask all of you kindly to keep that in  
12 mind. We stand ready to communicate, have a dialogue  
13 with you and I'd like to just -- a bit of an ask, but  
14 really we want to be relevant. Our Secretary wants our  
15 work to be meaningful and this public/private  
16 partnership that we talk about, it's only as good as we  
17 work together as people to make it. So I ask that I  
18 stand ready to work with each and every one of you, and  
19 the other Council members who are not here today.

20 So again, thank you so much.

21 CHAIRMAN LASZKIEWICZ: Thank you for joining  
22 us.

23 MR. THUMMALAPALLY: Yes.  
24  
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**FINAL COMMENTS/NEXT STEPS**

By Mike Laszkiewicz, Council Chair

By Mary Isbister, Council Vice Chair

CHAIRMAN LASZKIEWICZ: So I'd like to do one last thing. We're going to close out here in a minute, but we have a few minutes I always feel it's a part of the meeting that we sometimes don't offer enough time to, but I would appreciate a little bit of a roundtable here for any additional comments, suggestions, or feedback that members might have related to the meeting. We have a few minutes for this. Then following that we'll just talk a little bit about next steps.

But if I could open the table to anyone that had a comment and didn't feel they had a chance to add it or a suggestion or next steps procedure.

Yes?

MR. SAUNDERS: I would echo my comments earlier about what we're doing in our subcommittee about getting the word out and make that a universal requirement inclusion in all of the activities of the Council when we're making recommendations.

Part of the problem that I experienced when I was appointed to the Council, I went out to my

1 community and started talking to people, a lot of the  
2 people don't know about many of the things we are  
3 working on. They just aren't aware of them. In fact,  
4 I wasn't aware of some of them.

5 So there's a disconnect between the work  
6 that's getting done at the Federal level by the  
7 Council. Even at the State level there's need for  
8 better communication down into the manufacturing  
9 community.

10 So I would just ask that for all the  
11 committees, when they're thinking about  
12 recommendations, they include that communications piece  
13 as an integral part of whatever the recommendations  
14 are.

15 CHAIRMAN LASZKIEWICZ: I noticed that  
16 throughout our recommendations the problem you  
17 described is really highlighted for SMEs.

18 MR. SAUNDERS: Very much so.

19 CHAIRMAN LASZKIEWICZ: It's really a shame  
20 that there can be some, whether it's grant dollars or  
21 resources or other support that they're not taking  
22 advantage of because they're unaware. Your message, I  
23 think, is an important one.

24 MR. SAUNDERS: I mean, one of the ones that I  
25 heard earlier was from the labs, that you were talking



1 about that you were going to put money out there to  
2 encourage quality manufacturing. There are lots of  
3 manufacturing companies in our community that I'm  
4 guessing don't know anything about the NIST programs.  
5 That's just one example.

6 CHAIRMAN LASZKIEWICZ: Okay.

7 Yes?

8 DR. GREEN: It would be interesting to -- you  
9 know, we talked about overlap with the AMP program.  
10 Christie being on our subcommittee has been very  
11 helpful. I think it would be good if we could figure  
12 out kind of the most efficient way to do it. I mean,  
13 it can quickly get lost in the noise when it's sort of  
14 a blanket invite or whatever to various activities.

15 I think we have to find a way to efficiently  
16 do it so that we can share information, but it's at a  
17 high enough level so that members of--I'm speaking from  
18 the Manufacturing Council side--can benefit. But I  
19 think we don't have the time to dive into all the  
20 details that the AMP folks are doing, but it's clear  
21 that we can benefit. I don't know the most efficient  
22 way to do it, but I would just put that out on the  
23 table as something to think about.

24 CHAIRMAN LASZKIEWICZ: Message heard.

25 MR. ANDERSON: I would just expand that to

1 what we did last group in terms of asking who all is in  
2 the game. AMP was not there a year and a half ago,  
3 others were. We asked the question, how do they fit,  
4 how do they overlap, who is doing what? So perhaps Liz  
5 or Jenna can help us update the list of layers because  
6 others were being nominated in the last, others have  
7 been nominated subsequently to do things, but who's on  
8 first and who's on third?

9 CHAIRMAN LASZKIEWICZ: It was quite an  
10 exercise the last time.

11 MR. ANDERSON: Exactly.

12 CHAIRMAN LASZKIEWICZ: It wasn't the kind of  
13 organization chart we're used to in business.

14 MR. ANDERSON: Yes.

15 CHAIRMAN LASZKIEWICZ: That's a great  
16 suggestion.

17 MS. BROWN: And I would echo one other comment  
18 that the Secretary brought up earlier in our weekly  
19 meeting about, now that you have recommendations you  
20 want to track them. In the past, as you'll remember,  
21 we have a tracker. We called about every single thing  
22 that you guys did and we would say, you know, it's  
23 happening, it's not happening. Obviously we don't  
24 guarantee in any way, shape or form that every  
25 recommendation -- programming.

1           CHAIRMAN LASZKIEWICZ: That was a good one,  
2 too.

3           MS. BROWN: But, you know, we have the  
4 tracking document of the past Councils and I think that  
5 will be, again, a very helpful way. What I would add,  
6 though, this time is the implementation, perhaps box or  
7 something that's talking about how industry is helping  
8 implement, because some of these are joint and  
9 public/private partnerships, as we all know. So we'll  
10 be doing it together not just -- you know, or what the  
11 implementation plan is. So we should bring that up.  
12 Now that you have recommendations we can track them.

13           CHAIRMAN LASZKIEWICZ: Maybe one last comment.  
14 Anyone? There's a couple. Well, let's go ahead.

15           MR. ZAHNER: The folks at the inside table  
16 came very prepared with a lot of information. Would  
17 there be a chance of being able to get, you know, like  
18 a brief before the meeting so we can have valid  
19 questions perhaps to ask you, because I was trying to  
20 take notes rather rapidly, and a lot of information  
21 that if you came prepared --

22           MS. PILAT: Yes. We've actually started  
23 holding government calls about a month after these  
24 meetings to prepare and starting to think about the  
25 agendas of what we're going to talk about. We'll

1 continue to do that and try to send some of the  
2 materials with either discussion topics or questions  
3 that you should come having thought about. I think  
4 that would be very helpful for both the agencies  
5 involved and certainly --

6 CHAIRMAN LASZKIEWICZ: Great suggestion.

7 MS. PILAT: Yes. It's --

8 CHAIRMAN LASZKIEWICZ: I saw a couple more  
9 hands.

10 Christie?

11 DR. SMYTH: This one is super technical, but  
12 the suggestion that we have across the Manufacturing  
13 Council recommendation letter of some very simple  
14 things that I think all of the subcommittees have  
15 pointed out, one is the visibility of programs that are  
16 available to SMMs. That's come out in many, many of  
17 the subcommittees so it could be a cross-Council  
18 recommendation.

19 The second one was around utilization of  
20 manufacturing.gov as a potential platform to advertise  
21 these types of programs. Again, I think a number of  
22 the subcommittees have talked about the need for some  
23 visible location to advertise and make available. So  
24 just a thought starter as it --

25 CHAIRMAN LASZKIEWICZ: No. It's a --

1 DR. SMYTH: It's kind of a catch-all for the  
2 cross-cutting ideas.

3 CHAIRMAN LASZKIEWICZ: Great suggestion. It's  
4 a good lead in. One of the commitments as chair I've  
5 made is that we will--Mary and I--draft a summary  
6 letter of our work, a document that highlights the work  
7 of all the subcommittees and what we've done that can  
8 be leveraged by the Secretary, to be leveraged by  
9 Commerce, and can be leveraged by the next  
10 Manufacturing Council because one of the unique but  
11 very valuable governance aspects of the Manufacturing  
12 Council is that it is an ongoing Council and members  
13 will transition on and off, but the work continues as  
14 opposed to other special-purpose teams. I think as we  
15 draft that, which will happen sometime this summer,  
16 we're going to ask for comment from the committee and  
17 that might be the best place for us to do that,  
18 Christie. So, I appreciate that.

19 I'm going to move into the close here and then  
20 we have to have a public comment session.

21 I want to remind people, I had forgotten the  
22 date when Steve asked about it but we do have a  
23 scheduled call on July 17th, so that will be another  
24 key date in terms of time line. The objective for July  
25 17 would be for the pieces of work that we think can be

1 finalized for review and approval in October, our  
2 October meeting, we would want to have presented during  
3 that July meeting.

4 If it becomes necessary to schedule a meeting  
5 between July and October--a teleconference it would be  
6 again--we will attempt to do that. But I want to make  
7 sure the July 17th meeting should be on your calendar.

8 I know it's a tough time of the year. For the little  
9 bit of vacation this group gets, it's probably going to  
10 be a problem. I think Mary has it.

11 VICE CHAIR ISBISTER: It's 2:00 p.m. Eastern.

12 CHAIRMAN LASZKIEWICZ: Eastern time? 2:00  
13 p.m. Eastern time.

14 VOICE: Do we have an October date?

15 CHAIRMAN LASZKIEWICZ: We do have an October  
16 date. I believe it's October 15th -- the 14th and  
17 15th. And that will be -- as I understand it, that will  
18 be the last official meeting of this term of the  
19 Council. So I'm sure, you know, Liz and Jenna will  
20 have some guidance for us. That's a key date and that  
21 will be our last chance to approve and communicate our  
22 recommendations to the Commerce Department.

23 I think it's going to be very important. One  
24 of the challenges of being on these Councils is because  
25 the membership rotates, what Mary and I have committed

1 to do--and Joe has helped us through this--is we want  
2 to try and hand off the work as seamlessly as we can to  
3 the next Council so that they can drive the work  
4 forward and minimize the time for membership to get up  
5 to speed. We worked on that but I'm sure there's still  
6 room for improvement.

7 So that -- Mary, any last comments?

8 (No response)

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1                                   **PUBLIC COMMENT PERIOD**

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3                   CHAIRMAN LASZKIEWICZ: Okay. If you recall, I

4 have to take a moment and ask for public comment, I

5 believe, before we ask for the motion to adjourn. Is

6 there any public comment from guests who are not

7 Council members?

8                   (No response)

9                   CHAIRMAN LASZKIEWICZ: Okay. Without any

10 public comment or guests, I would ask for a motion to

11 adjourn the meeting.

12                  VOICE: I move to adjourn the meeting.

13                  CHAIRMAN LASZKIEWICZ: Do I have a second?

14                  VOICE: Second.

15                  CHAIRMAN LASZKIEWICZ: Do I have to have a

16 vote on this?

17                  VOICE: *Robert's Rules of Order.*

18                  CHAIRMAN LASZKIEWICZ: They say we have to

19 have it. Okay. All in favor?

20                  (Chorus of Ayes)

21                  CHAIRMAN LASZKIEWICZ: The meeting is

22 adjourned.

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C E R T I F I C A T E

This is to certify that the foregoing proceedings of a meeting of the U.S. Manufacturing Council, held on April 29, 2014, were transcribed as herein appears, and this is the original transcript thereof.

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LISA L. DENNIS, CVR

Court Reporter