UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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U.S. MANUFACTURING COUNCIL

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MEETING

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WEDNESDAY,
JULY 22, 2015

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The Council met in Room 3407, U.S. Department of Commerce, 1401 Constitution Avenue N.W., Washington, D.C., at 1:00 p.m., Susan Smyth, Chair, presiding.

APPEARANCES:

SUSAN SMYTH, Chair
CLAUDINE MARTINEZ, Vice-Chair
JAN ALLMAN, Marinette Marine Corporation
CHRISTIE WONG BARRETT, Mac Arthur Corporation
CAROL CRAIG, Craig Technologies
BRADLEY CREWS, NAFTA, CNH Industrial
ROBERT DEGENEFF, Utility Systems Technologies
CRAIG FREEDMAN, Freedman Seating Company
ROB FRIEDLAND, Proton OnSite
CODY FRIESEN, Fluidic Energy
HIROYUKI FUJITA, Quality Electrodynamics

DAWN GROVE, Karsten Manufacturing Corporation
KEVIN HANCOCK, Hancock Lumber
ERIC L. KELLY, Overland Storage
JAMES KEPPLER, Integrated Supply Chain & Quality
ZACH MOTTL, Atlas Tool and Die Works
TIMOTHY O'MEARA, GEMCITY Engineering & Manufacturing
SHIRISH PAREEK, Hydraulex Global
ANDRA RUSH, The Rush Group
MARSHA SERLIN, United Scrap Metal
JOSEPH SYLVESTRO, Pratt & Whitney
JEFFREY WILCOX, Lockheed Martin
LUDWIG WILLISCH, BMW of North America
RAY YEAGER, DMI Companies
BILL YEARGIN, Correct Craft

ALSO PRESENT:

MARCUS JADOTTE, Assistant Secretary of Commerce for Industry and Analysis
CHANDRA BROWN, Deputy Assistant Secretary for Manufacturing
ANDREW REAMER, Professor, Institute of Public Policy, George Washington University
SHANNON ROCHE, Director, Office of Advisory Committees & Industry Outreach
ARCHANA SAHGAL, Deputy Director, Office of Advisory Committees & Industry Outreach
ERIN SPARKS, Senior Advisor for Manufacturing
DAVID TRUMBULL, Principal, Agathon Associates
STEPHANIE VALENCIA, Deputy Chief of Staff to the Secretary
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(1:00 p.m.)

WELCOME AND OPENING REMARKS

Susan Smyth, Council Chair

Claudine Martinez, Vice-Chair

CHAIR SMYTH: Okay. The meeting is started. Thank you everyone for your attendance. The other thing I would like to thank everybody for is the work that they've been doing since the last meeting. There's been a phenomenal effort from everybody sitting around this table. Not only in the crossbar meetings, but also in separate events, such as the supply chain event that took place in the White House quite recently. And one or two people will be reporting on that, so many, many thanks.

I would like to draw your attention to the flag sitting, if you haven't seen it, on your package. One of the things that we wanted to do in recognition of the efforts and the work that's going on was given a little bit of an eye toward indication of our loyalties, and also our
representations for the council. So, all of the Council members, you should have received your badge. Thank you very, very much. And also the flag today.

So we have a very tight schedule and I would like to take a moment and go over the rules of engagement. There's been a few minor edits on time. I think all of the Co-Chairs have been informed. Some of you have lost a few minutes.

And just FYI as a courtesy, we will be using texting at the table. Do not be disconcerted if one or two people start to text. It'll be communication back and forth. Protocol dictates that the Department of Commerce sits in a specific area and the Manufacturing Council sits in another, but we may need to communicate and ask for clarification. So I do want to point that out.

And finally, a reminder, we are taking meeting minutes and the acoustics of this room are such that it may be difficult for Josh, who
is transcribing for us in the corner, thank you very much, to hear us. Please speak clearly. Please try not to speak over someone, because that will confuse the transcript, and minimize crosstalk.

So, with that, I would like to welcome Assistant Secretary Jadotte and I would like to express our sincere thanks to the Secretary and also to you for personally attending these meetings, and for providing us with the support of DAS Brown. And we are very, very grateful for your attendance of these meetings and of your support staff. Thank you very much.

THE PRESIDENT'S TRADE AGENDA

Marcus Jadotte, Assistant Secretary

MR. JADOTTE: Well, thank you. It's great to see you again, Susan and Claudine, and thank you both for your leadership. Thanks for the invitation. And, frankly, we ought to be thanking you and your entire team.

We recognize that your commitment to this body requires real sacrifice of time and
resources and we appreciate your service to the country. That allows us at the Commerce Department to be better prepared to improve the climate in the United States for manufacturers. So we're truly grateful and appreciate all of your service.

And in this room, I think you're going to find that we'll keep the door open all day, because it gets pretty hot if it's closed. It's good to see all of you again. Excited to be here at your meeting and looking forward to your recommendations.

We share common goals. Goals of enhancing the competitiveness for U.S. manufacturing and enabling the economic growth in the United States. I'm going to take a few minutes to both talk about some products that we have at the Department of Commerce that I think will be especially valuable to manufacturers around the country. And then I'd like to spend a few minutes talking about your process for the balance of the day.
As you know, we're always looking to support U.S. industry at the Department of Commerce. It's our primary function. I was reminded earlier this week by a representative from NAM that the Commerce Department actually came into existence as a result of a recommendation from NAM.

So, in many ways, we not only are the department of business, but we owe our existence to U.S. manufacturers. And that's a legacy that we all recognize. And you've heard from Penny that her own family has been both involved on this side of the relationship, but also the Pritzkers have a long-standing relationship with NAM.

So, I wanted to touch on a product that we launched just last week at the Commerce Department that we're calling the Top Market Series. Penny mentioned these reports in April when she was last with you. She gave you a preview. And I'm excited to say that we finally got them out the door in public versions just
last Tuesday.

The Top Market reports are, in total, 18 sector-specific reports that link future export opportunities for U.S. businesses across a range of industries. The reports provide analysis that we have heard from our own clients that they need to, really, to better deploy their own resources. And we approached the reports by combining our sector-specific expertise within the Department along with econometric data and the on the ground view of the Foreign Commercial Service.

So we're very excited about this new product series. They're available online and we're going to make sure that everyone in the room gets a copy of each of the reports. As the Secretary indicated in April, we'd like to get your input on the reports. So we plan to publish them every year. And with your help, we hope to refine them over time.

Within ITA, we plan to use the reports to align our trade promotion programs, including
trade missions, trade fairs, and the recruitment
for our International Buyer Program with the
strategic analysis developed in the Top Market
Series. And I think you'll find, once you have
an opportunity to review the reports, that they
really are germane to many of the sectors
represented in the room. We have reports -- I
won't go through the entire list, but just a few
highlights based on the folks I know are in the
room.

We have a report on automotive parts,
renewable energy, and one on aerospace parts.
So, as I mentioned, clearly germane to folks in
the room. And we need your help in making sure
that we continue to publish reports that are
usable and relevant to each of your businesses.

I also understand that you're going to
spend much of your day hearing about the initial
findings of your four subcommittees. As you hear
updates in service potential recommendations, I
would like to have you think about those
recommendations through a couple of lenses.
Again, touching back on the Secretary's conversation with you a few months ago, first Secretary Pritzker is asking all advisory committees to be as specific and actionable as possible in their recommendations. She is looking for ideas that she can execute during the remainder of her tenure.

Second, the Secretary is also requesting that committees place priority on recommendations. And this is going to help us decide how we spend our time as well. So with 17 months remaining in the Administration, we need to know what truly rises to the top of the list for each of you, and what we should spend our time on in terms of impacting your industry.

I know that, and this has been consistent throughout the history of the Council, you produce great ideas. And it would be helpful for us consider those two lenses, both actionable recommendations, and ranking the recommendations in terms of priority.

I want to bring your attention to two
upcoming events that the team will talk about more, but just wanted to plant a flag on two upcoming events. The first is Manufacturing Day. This year, Manufacturing Day will be on October 2nd. Last year was very successful. We had 400,000 attendees at over 1,600 events.

This year, our goal is to have 2,000 events take place across all 50 states. And we're working very closely with many in the room to do outreach to encourage manufacturers to participate in Manufacturing Day and get the word out in their communities. So, many of you are participating. We're very grateful. And Erin Sparks, who's here, will walk you through the Department's preparation for Manufacturing Day in October.

The second event is an important trade show that I know you are all familiar with. On behalf of the Administration, the Department recently accepted Germany's invitation to be the partner country for the Hannover Messe Trade Fair. The largest trade fair in the world. It's
the first time that the U.S. will be the partner
country. And those of you who are familiar with
the show know that thousands of exhibitors from
around the world descend on Hannover once a year
and it's a great opportunity to display
innovative products.

You typically get a quarter of a
million visitors to the show, so it's a great
opportunity and we hope that we have a large
contingent of American manufacturers as a part of
our group next April. And Chandra will spend
some time today going through the details.

So again, Madam Chair, grateful for your
leadership, your commitment to this Council and
certainly in the relationship that the Department
of Commerce enjoys. Not only with your company,
but companies all around this table.

CHAIR SMYTH: Thank you very much,
Assistant Secretary Jadotte.

MR. JADOTTE: I'd be happy to take
questions, if there are any.

CHAIR SMYTH: That would be great.
I'm just going to make one comment and then I'm going to open for questions. I think we've very much taken to heart the specific and actionable. And we've had a lot of dialogue and we're going to be very cognizant of what is within the control, to separate it from what is in the influence by the Department of Commerce. So that's how we're going to do it.

MR. JADOTTE: Great.

CHAIR SMYTH: And we're also going to prioritize, in terms of importance, but also in terms of sense of urgency with bills that are currently being passed, stuff that you have really on your front burner, and we're going to pull ahead some sections of our letters without waiting for a final letter that we are going to parse out some of the information and really try and make a meaningful contribution to your accelerated time frame.

MR. JADOTTE: Great. And thank you.

I think the recognizing control versus influence --
CHAIR SMYTH: It's kind of fundamental to --

MR. JADOTTE: -- is critical.

CHAIR SMYTH: -- to you being able to achieve it. So I'd like to open for questions.

MR. JADOTTE: Sure.

CHAIR SMYTH: Ray, did you have a question?

MEMBER YEAGER: No.

MR. JADOTTE: Great.

CHAIR SMYTH: Any questions or comments? Okay.

MR. JADOTTE: So I'm going to stick around for a bit.

CHAIR SMYTH: Okay. That sounds great. We were expecting Deputy Chief --

MS. VALENCIA: She's right here.

CHAIR SMYTH: I apologize. My goodness gracious.

MS. VALENCIA: That's okay. I don't want to interrupt Marcus.

CHAIR SMYTH: How are you?
MS. VALENCIA: Good, thank you.

CHAIR SMYTH: Nice to put a face to a name. I would have been a little more polite.

(Laughter.)

Prefaced it a little differently, but thank you very much for attending and supporting us. So, Deputy Chief of Staff Stephanie Valencia is joining us today. And she is going to provide us with an update on the President's trade agenda. Thank you very much.

MS. VALENCIA: Yes. So I think the last time I saw this group, we were over in the Ronald Reagan Building and I was talking about everything that we were doing to try to pass TPA. Well, we passed TPA. So thank you to everybody around this table who helped to contribute to those efforts. It was a close call. We all knew that it was going to be by the hair of our chinny chin chins.

But we know, I have to say, having worked in this Administration from day 1, had not seen such a well-coordinated, well-oiled machine
across every cabinet agency, of which Commerce
was a huge part in helping do that. I think the
Secretary herself called over, I think, 75
members of Congress and Senators through the
entire passage process. We had over 250 people
in this building, whether they were from Marcus'
team or, you know, on the data side who were
helping to make very state and local arguments,
to putting a face on trade.

And companies like many of you around
this table who are looking at the TPP market and
who will be able to benefit from the opportunity
that opening those markets or other markets
through the TPA will provide as a way to create
jobs and economic prosperity across the country.

So it was a well-run campaign, but now
we don't have much time to rest before we turn to
TPP. In fact, I was just coming from a meeting
with our Commerce TPP team, where one of our core
policy folks is getting ready to jump on a plane
to go to Maui for what we hope will be the final
round of negotiations. I think Ambassador Froman
has been in six of the 11 TPP countries in the
last couple of weeks trying to close out really
tough issues. Talk about someone who's going to
have really great frequent flyer miles after this
is all done.

But really, that's where we are. And
there are a couple really big issues that are
outstanding. I think, you know, folks have read
in the news just things around Canada and
Malaysia and it's kind of unclear where those
things are going to land, but everybody wants to
keep them at the table and ensure that we can
finish this with all countries and parties at the
table.

And I think showing the signal that
the President could take on, kind of, allies
within his own party and pass TPA despite, kind
of, how, you know, folks who he's close to feel
about it, was a huge signal to the TPP partner
countries to show that we were able to get this
done and that we're serious about getting TPP
done as well.
So I'm going to just paint a really quick picture on, kind of, how the time line -- again, no hard deadlines here because we don't know, you know, we're all hoping and assuming and planning as if things will hopefully close out in the next couple of weeks, at the end of this month at the last ministerial. If not, we're also planning for that. But I think our hope is that we'll be able to more forward at the end of this month.

So if, in fact, they are able to close out all the big issues and the President announces his intent to sign, I think folks know there's kind of a 30-day clock that kicks in at that point, before the agreement is actually public. You know, the administration is going to make a very big effort to make this as transparent as possible. Obviously, that's been one of the arguments that we've heard a lot from the American public is that, you know, this is a great deal and it's not secret at all.

But we obviously didn't want to put
all of our cards on the table while we trying to negotiate the best deal possible. But now that the agreement will be finalized, we will be very public and transparent about what's in it. Our team here at Commerce will have a huge role to play in distilling what is in that deal for American companies by industry, and also for people by state. And so Marcus' team is going to go hard to work as soon as that deal is finalized in turning around —

MARCUS: Working on it.

MS. VALENCHIA: They're already working on the template fact sheets to help us figure out, you know, what is the case to be made in Alabama? What is the case to be made, you know, in the semiconductor industry? And so, you know, we'll be rolling out about 15 to 20 industry-specific fact sheets and 50 state fact sheets that will go country by country by country, and what that, you know, potentially means to jobs and investment in each of the states.

And so, at some point in August, early
September, when the agreement goes public, we will release those fact sheets and make sure that they're all available to you, and they'll go on our ITA.gov/FTA Web site, where you can find any fact sheets on any of our FTAs and what they mean at a kind of sector and a local level.

Then after that, you know, the Congressional -- also, when the President announces his intent to sign, the kind of longer-term Congressional review clock also kicks in. And so they have 90 days, 90 Congressional days, to review the text and then, you know, so the soonest really that we would then, kind of, come to a Congressional vote is probably October at the earliest. And that's assuming everything kind of goes to schedule.

And then there are other, kind of, deadlines and clocks that start. Like with the ITC and others who have to do other reviews and weigh in to the process. So there are a lot of -- it's kind of five-dimensional chess. It's not even just three-dimensional chess here in things
that have to continue moving forward.

But I think, you know, rest assured you're going to continue to see the kind of broad, across the administration, all-in effort that you will use on TPA again for TPP. And I think the benefit that we have about TPP is that there will be real specifics.

You know, TPA was this kind of theological debate about, you know, or theoretical debate about, you know, how do we -- why is trade good for the country? And you couldn't really apply the specifics of TPP because the tariff lines weren't finalized and you weren't able to really say, okay, what does this mean to the state or to this industry. And we're going to have the benefit of that hopefully at the end of this ministerial when they finalize everything.

So the last thing I just want to close with is to give you, just to paint a really quick picture, both in terms of the role Commerce plays as we head into the finalization of the
agreement, but then beyond that in the implementation of TPP, if and when it's ratified by Congress. So, one is negotiation. We have lots of members of our team. As I just mentioned, our ITA team and our intellectual property team from PTO are going to Maui. They've been at all the ministerials.

They're providing that expertise that we've heard from our ITAC's and our other advisory councils and that we hear from industry every single day. And so they are there. They're, you know, providing that expertise to the negotiators who are on the ground.

Two, is we advocate and we help get these deals passed. And so I talked a little bit about the work Penny and our whole department did when, you know, over 250 people working here in Commerce trying to get this work done and to provide the public facing data and the stories to make the case. And then three, on implementation, I think one of the benefits of having Penny Pritzker as our Secretary of
Commerce is, in having come from the business community, is she is a planner. And so she's not waiting for TPP to be finalized.

She's already charged our team to begin thinking about what are the lessons we've learned from the current Columbia FTA. What have we learned from KORUS? What can we do better? How do we use technology to reach more people. How are we reaching small and medium-sized businesses?

So we're expanding our exporter base and educating them on the opportunities that exist in these new markets. How do we use the 170 foreign commercial service officers that we have in the 11 or 12 TPP countries? How do we use our domestic field staff through our U.S. export assistance centers?

So really, like, leveraging every tool in our toolbox and has charged Stefan Selig and Marcus and everybody in ITA and in our front office to really come up with a holistic and robust approach that doesn't just look at ITA,
but also looks at some of our other bureaus that enhance and are talking to industry every single day, like the Patent and Trademark Office, as well.

And then lastly, I would just say is on enforcement. And I think, you know, Commerce sometimes gets a little overlooked, you know. Everybody thinks, you know, U.S. terrorism forcing trade law. Should we have a huge role in monitoring it, ensuring that countries are compliant with over 250 trade agreements through our Enforcement and Compliance Bureau within ITA? And there, you know, there is recourse for U.S. industry to come in and file complaints on countries or to ensure that there's a level playing field for our companies and our workers abroad.

So those are kind of the four buckets of how we at Commerce are involved in kind of the creation and the negotiation and the advocacy, all the way through implementation and enforcement. So, with that, I'm happy to take
questions about the process. I'm not in the negotiations myself, so I can't tell you where we are on particular issues, but I'm happy to take any questions on other things.

CHAIR SMYTH: Okay. Thank you, Miss Valencia. I would to introduce the Vice-Chair of the Council, Miss Claudine Martinez, who has a statement to make.

VICE-CHAIR MARTINEZ: Thank you so much. Well, first of all, we're in charge of saying all the thank yous. So we'd like to start with Secretary Pritzker. You know, we are off and running to a pretty amazing start. We've been told by your amazing staff here that we are making much progress, especially in the first four months, compared to previously Councils and so forth, because we know we have an abbreviated time line.

We've taken to heart all the priorities the Secretary laid out for us in the last meeting that we've had. We've all gone through those and we have a pretty tremendous
report out that we're prepared to do today, which
includes our first letter. So I'd like start
with thanking the Secretary. I'd like to thank
you, Assistant Secretary Jadotte, for your
exceptional team. In particular, Chandra Brown.
She is just amazing as a Deputy Assistant
Secretary. She's been on both sides of this
table --

(Laughter)

-- because she's already served at
Manufacturing Council, so we really have the
benefit of her expertise. And we're off and
running. We're going to go out into the sector.
Out into the communities. So our next Council
meeting will be held in Chicago. I also have to
give special recognition to Miss Valencia. She's
a fellow Albuquerquean --

(Laughter)

-- and I hope that you all know how
amazing she is. How fortunate we are to have her
leadership. She started out in the White House
for, what? Six years, I guess?
MS. VALENCIA: Yes.

VICE-CHAIR MARTINEZ: And then came over now to Commerce. So we are very, very grateful to have her in our presence and we really want to thank you for your leadership and thank you for coming today.

I also want to give a special recognition to Shannon, as well as Archana. She's only been on board for a month, but under the great tutelage of Shannon, who has been steering our ship this Council's term, we really are exceptionally prepared. Especially with all of the advocates that we've been able to reach out to, the different sectors. All of the subcommittees have given out very, very aggressive schedules for briefings. So we feel very keyed up going into the next quarter, so to speak, of the Council.

And, Archana, I can't say enough. I've only been working with you for a month, but it feels like we've been working together for a year already. She has hit the ground running and
I just want to give special recognition. If you could go and take that back to the Secretary, we would be very appreciative.

And substantively, I've got the first question for you. We've got this teed up from the Innovation Research and Development Subcommittee. This has come up in discussions we've had with Deputy Assistant Secretary Brown, as well as others, and we have previous recommendations that have existed. So, for example, in the previous Council that I served on, we did recommend passage of both TPP and TTIP that are teed up now. Also TPA, but that one is ready to go. So our question to you is, would it be useful, because it's timely right now, to go ahead and re-issue --

MS. VALENCIA: The letter?

VICE-CHAIR MARTINEZ: -- the letter in another format and parse that out. Because I think what's happening now is, especially the big topics, you know. You've energy, you've got trade, you've got IRD. These are huge topics.
What we've encouraged is the Chair and Vice-Chairs to go ahead and get that low-hanging fruit, so to speak. Get those passed through. Get those actionable, so we're targeting our next all Manufacturing Council call, which is coming up in August, to pass the letter that we'll be entertaining today, as well as the letter on the TPP and the TTIP issues.

MS. VALENCIA: Okay.

VICE-CHAIR MARTINEZ: Could you comment on that?

MS. VALENCIA: So I think, from a strategic perspective, we're about to head into a really quiet, hopefully, time in August where members are going to head back to their districts. And I think what's going to be really important for them to hear when they're back home is from individual member companies, who are saying we're really excited to get TPP done. This is what it's going to mean specifically to my company, as much as you can say now.

I would say in terms of kind of a
letter, that's a very powerful tool that we would
want to make sure gets kind of the right
attention, particularly from the Manufacturing
Council, which obviously I think is an industry
reserve on a highlight and lift up as we're
talking about the importance of TPP.

So I would, my suggestion would be
that we wait until the text is finalized. We can
insert some very specific, kind of, industry
numbers or, you know, suggest or provide some
numbers for you guys to consider including in
your letter once we have the industry-specific
stuff. And use that and let's build like a big,
kind of, press hook around it so that you guys
get attention around the letter itself, in
addition to publicizing it to the Hill.

But I think September is really when
people's focus is going to turn back to TPP.
Right now, they're kind of stepping back from it.
And it's been a hot summer for them, so, on
trade. And so I think we really want to do it
when we can get the maximum lift and benefit.
VICE-CHAIR MARTINEZ: That makes tremendous sense.

MS. VALENCIA: Yeah.

VICE-CHAIR MARTINEZ: I'd like to take questions now for Miss Valencia? Anyone have questions for her? The Secretary's Office? We know you're very tight on time. Go ahead. Yes, go ahead.

MEMBER ALLMAN: I have just one other question around that. So we were also working on a letter around EXIM Bank. Would you find that immediate or would you want us to wait?

MR. VALENCA: I think, I mean, I think the more, you know, Penny is actually authoring an op-ed we've been shopping around for a couple of weeks. I think that's probably one that more urgently get out there. I don't know that it's going to happen before the August recess. I think we haven't gotten any signals that there's going to be a breakthrough before August, but I think in the constant drumbeat of EXIM over the course of August is also going to
be really important.

But how, kind of, all this intersects when we come back to TPP being, you know, potentially published and online, you know, you have the EXIM fight, then you're going to have Iran on top of all of that. It's going to make for a very interesting fall. And then the budget as well. So I think it's, kind of, there are a lot of kind of big issues we're going to be having to work through.

CHAIR SMYTH: Thank you very much.

MS. VALENCIA: Wonderful. Thank you guys very much.

MS. MARTINEZ: Thank you so much, we appreciate your time.

(Off the record comments)

CHAIR SMYTH: Okay. I would like to introduce Deputy Assistant Secretary Chandra Brown. I would like to thank you, personally, for your continuity. You have sat on both sides of the house.

And I think everything is echoed by
the Co-Chairs that we would like to thank you for personally attending as many events and also for making yourself available for questions and points of clarification, which, even though they just take a minute or two, are incredibly useful for us to receive in such a timely fashion. So today, Chandra will share information about the Hannover Fair and also the Aerospace FDI.

THE DEPARTMENT OF COMMERCE MANUFACTURING AGENDA

Chandra Brown, Deputy Assistant Secretary

Erin Sparks, Senior Advisor for Manufacturing

MS. BROWN: So, good afternoon, everyone. Yay. See, we can still have fun even while we're working hard. It is a pleasure to address, you know, I know I'm not supposed to have favorite councils but, you know, I do. I might have a few favorites here. My favorite subject with such incredible what I consider friends and colleagues across the table. It's always great to come to these meetings.

I'm going to talk about those two main topics. I'm going to throw in two other things
then and I want to tee off first of all what Stephanie just said.

One, I think everyone here, particularly my friends from the previous Council, should, you know, take a moment of credit and a moment to kind of bask. It was October, 2014, when you sent out the recommendation for TPA to be passed.

As you know, like with KORUS and other things, many of these take years and years to pass. So we always forget to just take a moment and celebrate. You wrote a letter of recommendation. It was part of the voice. It was obviously a super close, incredibly critical vote, and it passed.

And so everyone here deserves a piece of credit for passing TPA and that that specific recommendation from the last committee's Trade and Tax Subcommittee is, you know, when we have our tracker, you can, like, check that box, done. You know?

So I thank everyone here, you know,
particularly again those folks from the last Council who worked hard on that. Really appreciate that.

And that's why we do think, as we roll out the next ones, whether it be TPP and TTIP, it'll be good to, as we said, re-up the recommendations. Because again, sometimes it will take numerous years to get this work done.

So congratulations to everyone and thank you for that recommendation. There is at least one that we can kind of close and say it's done. So I wanted to start with that.

The other thing I want to vet is a little bit about what Marcus was talking about. The Top Market reports. They are online. You do have a flyer in your packet.

One of the things I wanted to emphasize, because it was actually my team that did the vast majority of these reports, it's a huge amount of work. Some of these reports are 50, 100 pages. We may rank a hundred plus markets in order of sub-sectors of markets.
There's case studies of individual countries in there.

So one of the things, we've been doing a lot of briefings, webinars, and other briefings per subject matter, because there's so many different ones when you look at the reports.

So I would recommend, for example, possibly the Trade Committee, they might want a briefing on this or they might want to, you know, be listening or participating out for when we go through these reports.

As our teams that are the authors, so you can actually talk to the authors of the reports. And as Marcus said, you know, this is our first year we've done most of these. Some of my team have been doing a couple for a few years, but the first time we've done all 19 at one time.

And we're really looking for feedback again, so, for next year. So again, do you like it, was it helpful, you know. I will say the target is primarily small and medium-size enterprises. Again, a big focus for us.
That's why people have asked me this question, so I'll say it out there. For what reason why we're doing aircraft parts, for example, rather than planes?

Like, we don't necessarily probably need to tell Boeing and Airbus where their markets are. I think they're probably pretty savvy with their hundreds of analysts looking at that every day.

However, you know, aircraft parts, for example, and where are you going and where can you be selling and reselling and across the board, you know. We did it on that. So I wanted to be clear.

And, yes, not every industry is covered. That probably would be another interesting prominence. Very difficult. There's so many industries and so many sub-sectors. And, unfortunately, we just don't have the resources to cover every single one.

But, I think, you guys, looking at these 19 reports, like I said, they're all at
trade.gov/TopMarkets. So you can go download
them at your leisure and look at them. But it
might be something that the Trade Committee wants
to actually have a briefing on or take a harder
look at.

So that takes care of those two. Now
I will talk about my two topics. First, Marcus
touched on it but it is true. Next year, April
25th through 29th, 2016, is the Hannover Messe
Fair. And we are pretty excited on this. For
the first time in history, the U.S. is the
partner country.

So the reason why we're talking about
this, obviously many companies here will probably
attend the fair and have heard about the fair.
The difference this year is that, you know, we
are the partner country.

So there's, you know, a possibility
the President will be attending and the
Secretaries attending. And we have an entire
U.S.A. pavilion and various pavilions throughout
the show. So this is kind of, again, a
difference and enhancement of pasts.

So really, and I also like this, the
statistic that the Hannover people gave me, which
really resonated with me personally as an ex-born
in Chicago woman, is that they are very proud
that their fairgrounds are over one million
square feet, which they wanted to make sure I
knew is 20 times the size of McCormick in
Chicago.

(Laughter)

So we can give that all to everyone as
scale. So that's pretty big. So I thought that
was a really funny and a good stat. And they
also said, you know, roughly it's 6,500
exhibitors from 70 countries and over 2,200
visitors from 95 countries.

So I just tell you that, the reason to
give you this point from a Manufacturing Council
perspective, is, and it'll be similar to the
aerospace ask, it's all about, you know, putting
the word out. Going into your networks, letting
people know about it. That U.S.A. is the partner
country, you know.

We've had, I would say, decent attendance if you add up all the U.S. companies that have attended in the past. But now as the partner country and really highlighting our expertise, innovation, entrepreneurship, we really want, you know, hopefully more folks to come. And we'll have speakers and, you know, a whole bunch of opportunities.

And luckily, Shannon here is going to be one of our point people on Hannover Fair, so you have an instant source, like, of date and information. So, like, if you want to attend, if you want more information. We will have marketing materials coming out on it that, you know, we can send you to send around.

And they're definitely, the organizers, are looking for sponsors for the U.S.A. pavilion. So again, it will be a big U.S.A. pavilion. Right now, it's open for sponsorships and a variety of other things.

So I think, as the details come, we'll
keep you informed. And this you could consider your heads up of outreach, with more details and marketing information to follow.

Second, another big event, again, that will have relevance, not for everyone here, but as you look into your networks and all the folks that you touch. This October, and there is a flyer on this as well in your packet besides the Top Markets. So October 26th through 28th in Los Angeles, we are hosting a Aerospace Foreign Direct Investment Expo.

So what this is, I know some folks are here at SelectUSA. So basically, we've had two big SelectUSA events here and they've been fantastic and they've been huge, where we've had all 50 states represented and we've had thousands of foreign interested parties and buyers come to the United States for matchmaking and meeting.

Well, one of the lessons we learned and that we've been talking about is that's a very big, successful, huge event. But there is a demand to do things on a more industry-specific
level, where you can get more into depth and be
having folks come here that already know what
they're interested in and what they're interested
in investing in.

So the very first one is on aerospace.

Difficult again, as you know, with reports and
everything on how we pick and what's the first
one. There's a lot of reasons why we picked
aerospace. Mainly that Foreign Direct Investment
in aerospace has been growing over seven percent
year over year.

So, you know, we look at the metrics.
We look at the stats. Where is a good, you know,
investing base? Plus there's, it touches so many
folks. The overall aerospace industry.

So this is our first one. Doing it in
October. We're partnered with the Aerospace
States Association, which is made up of
Lieutenant Governors and other folks. There is,
I believe, like, 21 roughly states that are
interested in coming and I believe ten are
already signed up.
And so again, I want to emphasize
different from the big SelectUSA, we don't expect
all 50 states. Nor do we necessarily want all 50
states. Not all 50 states have aerospace, you
know, interests.

The same with we won't have every
country, foreign country, coming. Not every
country has, you know, an aerospace interest or
wanting to join our, you know, global supply
chain here in the United States. So it'll be a
much smaller scale event, but hopefully much
deeper and more targeted.

And again, the Web site is up now, so
you can go on and register. And so we're really
encouraging you again, whether it's your industry
or not, and these, the marketing packets, kind
of, are done.

So we can send you electronically all
the information on it. We're meeting with lots
of folks from embassies and consulate generals.
We have delegations that are thinking of coming.

And one thing I wanted to particularly
mention to this group that is an interesting thing we're trying to do, is for some of our large companies who maybe have foreign suppliers and are looking for diversification or others, inviting like the foreign supply chain, you know, to come. Because maybe there's other companies they can sell to and be a part of the global supply chain.

So we're really trying to dig down. Including also companies that are looking to diversify. One example that came up recently is a company that makes medical devices and they want to get into aerospace and they are looking for a foreign partner potentially, you know, to help them expand to do it.

So it's working both ways. So it is thinking, kind of, more out of the box and we're looking for all sorts of different companies, from the large primes to the small, medium-size enterprises to attend.

So our ask on that is again to go out into your networks to pass this information
around and, you know, hopefully we'll have, you
know, a pretty robust -- there will be
matchmaking done.

So just like SelectUSA, you'll be able
to sign up online and then match make with
companies, match make with other folks, and that
will all be run out of our SelectUSA office. So
they are doing the yeoman's work on this event.
And that is all I have. Thank you.

CHAIR SMYTH: Okay. Thank you very
much Deputy Assistant Secretary Brown. Open for
questions?

MS. BROWN: I only take hard
questions.

(Laughter)

CHAIR SMYTH: Okay. Cody, do you have
a question? Okay. So I would like to introduce
and welcome Miss Erin Sparks, who is the Senior
Advisor for Manufacturing to Secretary Pritzker,
and she will give us an update on the
Manufacturing Day MEP and some comments on the
White House supply chain event and some
manufacturing community investment activities.

Thank you and welcome.

MS. SPARKS: Thank you. As you can
tell from Susan's introduction, I'm here to cover
everything that --

CHAIR SMYTH: Else.

(Laughter)

MS. SPARKS: Only the domestic work we
do, which is a lot. But I'll try to just hit the
highlights and be brief.

I first just want to echo my
colleagues and thank you all and tell you what a
pleasure it's been to work with you over the last
four months. I've been really impressed at the
quality of the subcommittee work as I've
interacted with some of them and also just really
thrilled to see individual members have one-on-
one interactions with our programs, participate
in events, you know, provide such quality input
this early on.

It's really exciting for us to see and
I thank you for that, because I know that takes a
lot of hard work and time from those who are very busy. So thank you.

So I will give you, as I said, an update on some of the manufacturing domestic priorities we have and some of the recent initiatives or announcements Secretary Pritzker has made in that space.

Just last week, to kind of frame it, Secretary Pritzker delivered remarks to the National Council of La Raza outlining her domestic priorities for the remainder of the Administration.

And she really focused those on investing in three things. In our people, in innovation and entrepreneurs, and in places. And when she's speaking about investing in places, she's talking about infrastructure. Both physical and digital.

And so, I think, just setting that out and seeing the overlap between those priority areas and the areas where your subcommittees are at work, it's really, there's a lot of promising
areas for us to collaborate. And so, I'll just
give you a few highlights from both the
innovation and skills space, which are enormous
priorities for the Secretary.

So in the innovation space, earlier
this month she spoke at Wal-Mart's manufacturing
summit and she announced there we have 12 new
investing and manufacturing community
partnership, or IMCP, communities.

This is a program that was created by
Secretary Pritzker, along with other cabinet
officials. It's an inter-agency effort. This is
the second round of 12 communities, so the new
communities are joining 12 existing communities.
I think you have a copy of the announcement and a
list of the new communities in your materials.

This is an important program for us to
really work on institutionalizing over the next
couple of years. We see it as a smart government
program where essentially we are recognizing
communities that have strategic plans that have
been developed with input from the private
sector, covering everything they do to support manufacturing. From workforce and development to infrastructure to supply chain.

So we're looking at what are the best community strategies and then we take those communities and help them position themselves for the best federal support.

And so we have funding aligned from 11 different agencies to then support those plans. And like I said, it's really a great example of smart government at work.

She went straight from the Wal-Mart summit to the next day participating in the White House Supply Chain Roundtable, where we were thrilled to have a few Manufacturing Council members in attendance.

The Roundtable brought together senior executives from over 20 leading manufacturing OEM's with smaller supply chain companies. And then really important federal actors, like our Manufacturing Extension Partnership Center Directors, National Lab Directors, to talk about
strengthening the small companies that make up our domestic supply chain.

So leading into the event, there were 15 companies that made commitments to expand partnerships with smaller companies. So that itself was a huge success.

At the event itself, Secretary Pritzker challenged the larger companies in attendance to meet in the next eight weeks with their local MEP Center to talk about how the MEP Center can help them address a specific challenge or a specific problem they see across their supply chain.

And we see this as part of an effort to move our MEP Program, which has amazing results and often works one-on-one with smaller companies, to working with a larger company to support their whole supply chain with smaller companies. And so, you know, really achieving greater impact through that scale.

And then looking forward in the innovation space, I know we've talked about this
many times but I'm going to emphasize that the National Network for Manufacturing Innovation, or NNMI, remains a top priority for the Secretary, and for the President, for the Department.

We appreciate the work that the IRD subcommittee is already doing in this area. We have two main areas of work before us and appreciate your recommendations on both.

One is, we at the Department of Commerce have been charged with the responsibility of leading the network of existing NNMI institutes.

And that requires putting a governance structure in place and we're currently working closely with the Department of Defense and Department of Energy, which have the existing NNMI institutes, to put that in place.

But we really need the private sector input to make that governance structure works for the private sector members of these institutes.

So that's the first.

The second is actually establishing
commerce NNMI institutes, which the President's FY '16 budget requested funding for two commerce institutes.

These are important because they're not limited by agency mission. They're open competition, so we're able to establish them in whatever area industry tells us is most important.

The legislative outlook at the moment is not great. And I'm happy to go into more detail about that, but I think, you know, you heard what Stephanie said about the Secretary. She's a planner.

And so, she wants to be ready to do this and we need your input to help us make sure we're ready. And I'll say, in addition to her being a planner, she's an optimist.

(Laughter)

So, you know, we may be told that getting the funding is a long shot, but we're going to go for it and we're going to push for it. And so we appreciate you all helping us in
whatever way to prepare to be ready to approach
those institutes.

Let me quickly mention a few things on
skills. Last week we had an announcement that
seven regions were selected to participate in the
Communities that Work Initiative, which is a
joint project between our Economic Development
Administration at the Department and the Aspen
Institute.

They chose these seven regional teams
that will work on an intensive 15-month learning
exchange, looking for the best ways to
incorporate workforce development initiatives
into regional growth strategies.

One of the seven communities was a
manufacturing community. So we're excited to see
that and we know that even though there was only
one, there will be broader lessons across
industries that will come out of this.

And then finally, let me talk a little
bit about Manufacturing Day. You're already
familiar with it, so I don't need to sell you on
the importance of it or what it is. But I wanted
to give you a quick update on what we're doing in
our outreach efforts and how you all can help.

First, let me just refer back to the
goal that Marcus mentioned and put it into
context for you. We created Manufacturing Day in
this administration and the first Manufacturing
Day took place in 2012. So just three years ago.

In 2012, there were 240 events and
7,000 participants. And then you look to last
year, just two years later, we had over 1,600
events. And I think even more impressive than
the number of events, is the number of
participants. We had over 400,000 participants.

And then it gets even more impressive
when you compare how many people we reached
through media, which is over 30 million people
were reached through media about Manufacturing
Day. We had Manufacturing Day trending on
Twitter.

What company wouldn't want to be part
of that kind of public engagement. So I think
there's a really strong sell that we can make and
we need your help in making that sell.

Every year we get a little more
ambitious in our own outreach efforts. And last
year, Secretary Pritzker sent letters to 250
mayors asking them to attend Manufacturing Day
events, to do outreach to companies in their
city.

This year, we've expanded that to
include governors and members of Congress. So
we're sending 400 letters from her to elected
officials asking for their involvement and making
much more specific asks. Instead of just
generically saying will you reach out to
companies, we said please reach out to five
companies.

We're developing our wish list of
iconic U.S. companies that haven't participated
in the past that we'd love to see participate
this year. We're working with trade associations
to make sure we reach small and medium-sized
companies.
So thanks to Bill Yeargin on the Manufacturing Council, we, just a few days ago, the National Marine Manufacturers Association sent a letter about Manufacturing Day participation to all of its members.

We'll be asking companies to use Manufacturing Day as a platform to make bigger commitments and announcements, like expanding or starting an internship program or opening a new factory. We're working with Deloitte this year to do a study on the effects of Manufacturing Day on public perception.

So we've seen states or regions do studies of this where in Florida, a group that organized a regional tour, they saw 95 percent of student participants said they learned something new about manufacturing and saw how STEM is put to use in advanced manufacturing.

And so we want to be able to say those kinds of things on a national level. This happened because of Manufacturing Day.

So here's how you all can help. Just,
sort of, of the initial lesson. We've spoken with the Workforce Subcommittee about some of these ideas as well and really appreciate their initial input. Help us do outreach and make the ask of companies. That's huge for us and now is really the perfect time to be doing that.

We see the biggest spike, you know, in registration of events in September. In order to register an event in September, companies really need to be thinking about it now.

You know, we've asked you to work together regionally, across your supply chains, or as trade associations to expand impact. So we've had conversations recently with Airbus and they're reaching out to all of their supply chain companies to encourage them to participate in events.

Let us know when you have big events or possible announcements that are being lined up, so that we're aware of those and can amplify them or can make sure that we get an Administration official out to participate in
them.

MS. BROWN: And it's a competition, so whoever has, who know, the best things, that depends on who you get to come out.

MS. SPARKS: That's kind of true.

Share your stories, your best practices, your results. We're excited, again, just speaking about sort of the individual members who are helping us in so many ways.

Tim O'Meara is going to be speaking on a webinar about what his company has done for Manufacturing Day that will go out through our national partners for Manufacturing Day to reach, you know, hopefully thousands of companies and inspire them. So we appreciate your support on that and would appreciate all of you helping to share those stories.

I think there was a success story included in your packet of materials that really highlights a company in Missouri that uses Manufacturing Day to identify future employees and has actually hired people who have come
through the facility on Manufacturing Day.

So, I mean, those kinds of stories really help show the value to the businesses in terms of immediate impact. Not just this is a good thing to do because it eventually it'll have an impact on public perception.

And then finally, just please, as you plan your own events and as you speak with others about them, make sure you register them on the Web site.

It's a really simple ask, but that's the only way we have to have those great aggregate numbers is to make sure everybody registers on the same Web site. So thank you all so much.

CHAIR SMYTH: Thank you very much, Miss Sparks. I would like to invite you to attend our next Co-Chair Subcommittee conference call and we talked about that a little earlier today. I think it would be really useful.

And I believe that call is the first week in August and I think the objective on that
would be for us to deep dive what the Department
of Commerce is seeing with regard to our reports.
So we'd like to get a course correction, you
know, so we're working on the right thing, but
perhaps this is a bit more urgent than that.

So we're starting to deliver to you
some of these letters or parsed letters that are
in a meaningful cadence that you can basically do
some actionable items and make them work for you,
so.

MS. SPARKS: Yes.

CHAIR SMYTH: I would now like Vice-
Chair Martinez to facilitate the discussion. We
have some input with regard to Manufacturing Day
and I think, just at a high level, most of the
people around this table in the Council are
actively involved in this.

We have numerous activities and, in
the spirit of competition, we are talking about
clustering in certain specific geographic regions
and basically making this a very high profile
event. So I think we'll be very successful.
DISCUSSION

Claudine Martinez, Vice-Chair

VICE-CHAIR MARTINEZ: What I'd like to point out to everyone, is you are seeing if being here now, right, that the ask that's being put to us from the other side of the table is not just formal recommendations for a lot of different outreach efforts, a lot of input when it comes to very specific tasks, say to come up in a timely fashion.

We've been asked, for example, come in, give your input. We need it by Friday. These type of tasks, which are good. We want those to keep coming in and we'll do to the best of our ability.

Two of the things we'd like to highlight is the efforts that have been made on Manufacturing Day as well as the White House meeting. So to continue with the theme on Manufacturing Day, I thought we could take just about five minutes, and we're running over
schedule a bit right now and intend to pick up
some time.

So I'd like to call on Andra and Bill.

If you'd like to give us just a quick input on
what you see as the tool for Manufacturing Day
that was successful for you, so you can pass
along the knowledge to those of us who have not
done it before.

MEMBER RUSH: Okay, I'll go first. I
didn't know who you were looking at over here.

(Laughter)

So what we did, because Detroit
Manufacturing is pretty new, one of the first
manufacturing places in Detroit in over 30 years
and we're in a pretty low income area, but what
we tried to target is how do we attract
participation, knowing there's a transportation
challenge. So we went in our walking
circumference and then we expanded it beyond
that.

One of the key learnings was having my
lead person go to a school on the beginning of
the first school day in that first week and introduce we're having Manufacturing Day. We are sponsoring this event for yourself, your class, and your class's parents to come.

And then we gave giveaway gifts and we came in every week prior to the actual event. We actually paid for some of the busing tokens. We bought that. And we also had transportation provided by maybe someone who had larger vehicles.

We then contacted our supply chain who services us and expanded it to their small communities. But the impact was incredible.

So we think if you can share with your community right away what Manufacturing Day is and the impact it has on the community. A lot of people had no idea and had never been in a manufacturing facility. So it was a paradigm shift.

I also leveraged, or our company also leveraged, interns that we get from University of Michigan and Wayne State as part of their project
to market to middle schools and elementary
schools as well. And we think that has a
tremendous impact. So that was our approach.

VICE-CHAIR MARTINEZ: Excellent.

Bill?

MEMBER YEARGIN: We partnered with our
regional manufacturers' association, who actually
went out to the schools, who made the contact and
had the students, who came to us. So we really
didn't have to do much in that area. They were a
big, big help to us and I would recommend you
consider that.

On site, we had, again, at our boat
manufacturing site in Orlando. We brought them
in, gave them a tour, had them speak to a number
of different people in our organization, had them
do some role playing. And because we have lakes
and boats there, actually gave them boat rides.

And I think that we had about 50 or so
students that attended our event. And I don't
think there's any question they left with a whole
new appreciation for manufacturing.
They just had a fun -- we've had to make it fun for them, too. You know, just sort of a fun day and try to mix it up so, you know, they just weren't sitting there listening every day, or all day.

We'd go and see different things and then have somebody else come back and talk to them and take them to another section. It was a really, really exciting day and you can really impact a kid's life and really open up a whole new world to them by participating.

And as Erin said, I've encouraged our whole industry to get involved. And we've had some traction there and, you know, there's really a really big opportunity not only to help us in the long run, but to help, you know, one of those kids.

Because they most likely weren't even thinking about the opportunities in manufacturing and you set their life off in a whole different, positive direction. So thank you, Susan, for giving me the opportunity.
VICE-CHAIR MARTINEZ: So what I'd like to task the Manufacturing Council with is if you could look at not only your own company participating and go and register on the Web site as soon as possible because we need to get all the registries going, but also if you end up doing a regional endeavor --

CHAIR SMYTH: Right.

VICE-CHAIR MARTINEZ: -- like Susan was talking about, what I want to do a really good job of is reporting back to our Commerce colleagues all the efforts that we're doing.

CHAIR SMYTH: Mm-hmm.

VICE-CHAIR MARTINEZ: And that is not just formal recommendations. There are several different efforts that we're doing. We associate with manufacturing associations, different trade associations, et cetera. We associate with the schools. No matter what it is.

But this is a good issue, a good example, of how we need to reflect back and do a good job of summarizing and talking to the co-
chairs in particular here of each subcommittee.

Make sure you chronicle all of your efforts, not just your formal efforts. Okay?

CHAIR SMYTH: If I can interject, I think one of the things that would be powerful as we give you back the material that basically lists a calendar of events, is to capture some of the best practices and lessons learned.

VICE-CHAIR MARTINEZ: Mm-hmm.

CHAIR SMYTH: And I'm going to give one example. A very innovative problem challenge and Andra had alluded to it. You know, you're working in a low income area. Transport is an issue. So sometimes you can put constraints on yourself and say I can only have an event this size because I only have five cars or I only have whatever.

They had a very innovative problem solving approach. You don't have to do it all yourself. You can leverage your community. So they went to the Boys and Girls Club that have buses. And once they were engaged, they came on
board.

So you can actually look for non-traditional partners and I celebrate that. I think that was an absolutely fabulous problem solving and lesson learned.

So I think if we can share those ideas in addition to some of the more traditional events, as Claudine said, I think we can provide some value there.

VICE-CHAIR MARTINEZ: Absolutely.

MEMBER RUSH: And one thing. I'm sorry, you jogged my memory. Uber came to us and they're going around to all major cities and they're paying for rides not only to events, but for your workforce to get to work if they should have a transportation problem. They're doing this pilot study for the next six months. So there's five months left.

(Simultaneous speaking.)

MS. SPARKS: Very good to know.

MEMBER RUSH: Yes. They really want -- that's a big campaign they're doing and it's
perfect.

VICE-CHAIR MARTINEZ: So moving on to another --

MS. BROWN: If I could just add, sorry, one point --

VICE-CHAIR MARTINEZ: Please.

MS. BROWN: -- because I do think, this is a point that's actually hitting your point, Claudine, about not only having letters.

So just to be very clear, so the ask from the Commerce side is that, to summarize, is that you capture, you know, all of these best practices. I mean, we are putting together a best practice guide.

And again, this is for all different size companies. So I want to emphasize, you know, this isn't just about we're the huge manufacturer. We give out prizes. They actually build something, they go in a boat. This can be a ten-person shop and there is great ideas for them to do as well.

So all's I'm saying, I don't know if
we need any more examples here, but I just want
them to be codified and maybe even generalized.
Like, you guys could do that on your side. Get
everybody's best examples. Put them maybe in
some order for here's some good suggestions if
you're tiny. Here's some if you're medium.
Here's what the, you know, huge, you know, multi-
nationals are doing, for example.

But I think that would be a really
helpful, you know, white paper. I'm going to
call it that. Like, white paper from the Council
on just best practices.

CHAIR SMYTH: Mm-hmm. Okay. We've
taken note of that.

VICE-CHAIR MARTINEZ: Okay. So,
another example of how the Council is going out
of its way to do sort of non-traditional outreach
as well, is that I understand that Christie and
Jeff and also -- Joe, where are you?

CHAIR SMYTH: Joe is down here.

VICE-CHAIR MARTINEZ: Joe attended the
White House supply chain meeting, so I'd like to
invite maybe two of you, because we're running a little bit low on time, to be brief. I apologize, but they're such rich, rich topics.

MEMBER SYLVESTRO: Yeah, certainly. I could start and the team can fill in. So there were a range of suppliers in terms of company size, you know, from the multi-national to a small and everything in between.

And we were approached to talk about best practices in terms of how our company approached suppliers, supplier development, and specifically around small- and mid-sized companies.

And so the one example that we talked about is our supplier development program. We have a name for it, like most companies have names for your different, you know, programs. But key elements were that we help, you know. We send engineers to the facility. If you --

VICE-CHAIR MARTINEZ: Excuse me, Joe, because it's transcribed, you're from Pratt & Whitney, so just remind everybody where you're
from, too.

MEMBER SYLVESTRO: Yes. Joe Sylvestro

from Pratt & Whitney.

VICE-CHAIR MARTINEZ: Thank you.

MEMBER SYLVESTRO: We're a jet engine

manufacturer in -- based in Connecticut. So we
talked about that program. And, you know, it's
an investment. It's an investment in a sense we
send engineers.

We help them with their quality

system. It could be help with inventory,
inventory planning, all the way to product
development. If they're a machining house, you
know, we're a machining house as well, you know,
so we try to support, and then we incentivize.

So, of course, in the programming ----
you know, good performance. So we look for on-
time delivery, quality, these kind of traditional
measures, but if you can stay at a high level, we
incentivize.

Payment terms, right of first refusal

for work, and some of these things that, while
there may be a little bit extra effort as a part
of being in this program, it also ---- it does
bring, in addition, hopefully an improvement in
your business and improvement in your opportunity
as well, and so we shared that.

I have one takeaway, in which we ended
up with, you know, giving out action items,
because I like to give out action items, too.
And the government participants talked about so
many programs that are available.

So the Department of Energy,
Department of Commerce, Small Business
Administration, there's so many opportunities for
small suppliers. And kind of around the table,
it felt -- it doesn't feel that way when you're
back in the market that suppliers really know
about all of these opportunities.

So one of the things that we've asked
for is somehow -- some kind of a consolidation or
some methodology in which we can -- that I would
you use. Our company could use as we, you know,
go into our supply base and say, look at all of
this, and you know, it could be an opportunity
for your business.

And you know, this is a two-way
street, always has to be in business. A strong
supply chain helps our business, you know, become
stronger. So it's part and parcel to, you know,
how we have to operate. So we're happy to share,
you know, and participate in the meeting.

CHAIR SMYTH: Thank you very much.

Thanks, Joe.

VICE-CHAIR MARTINEZ: Excellent, and
I just want to show everyone one more theme that
we're talking about here and I hope everybody
feels very comfortable. We are not just a large
company focused or a small company focused
council.

You can see that the value of breadth
and expertise is needed, whether your Pratt &
Whitney going to that supply chain White House
meeting or you're from Mac Arthur Corporation, a
smaller business. Or you're Lockheed Martin with
Jeff Wilcox. And for that, I'll turn it over to
MEMBER WONG BARRETT: Great. Maybe just to build on Joe’s comments, my takeaway is from the event where the many companies were able to call to action, by the Secretary, by the White House, for industry to take a look in the mirror and create the supply chain, the value chain, that you want for your future, for your economic vitality of your own companies.

And one way that they call back to action was hearing best practices. So across the companies that share examples, I think there were three emerging themes of how to create a strong supply chain.

Number one, collaborative procurement policies and practices led by your company, shared across your industry, and shared throughout your supplier network. It seems that many large companies have large tier 1s that perhaps are not acting collaboratively. You may have tiers that could help you expand your efforts by working in concert with your company's
collaborative efforts.

The second theme was around the need to facilitate connections to small businesses and manufacturers by creating awareness, as you said, of the capabilities and opportunities that are out there. So that's to scale up.

And the third major theme around best practices were many companies have active supplier development and supply network development programs. So those three themes sort of emerged if I could try to aggregate the comments from the various players in the room.

So it was a great, I think, sounding board for industry to share what they're doing, to challenge each other, to push, you know, the envelope a bit and to perhaps a call to action to the other industry players that are not at that point in their evolution.

And I think the other part that was very interesting is there's a unique opportunity now to take that beginning of the discussion and cascade it through their own organizations.
Those that are at the beginnings of their
journey, to cascade it in their own industries,
you know, with competitors even. And again,
throughout their supply chain with their large
tiers.

So it was like the beginning of a
discussion, I think the White House intends to
now convene in October. State governments,
through governors and mayors and regional
associations again continue their discussion and
make the change.

CHAIR SMYTH: Okay. Thank you very
much. We are running a little over ten minutes
behind schedule. A lot of people have travel
commitments. We are going to catch that time up.
I'm going to request that the Co-Chairs be
concise in their eloquence.

And prior to that, I'm going to
introduce Shannon Roche. Shannon is going to
continue to increase our understanding on prior
Council recommendations.

It's extremely important and we've
repeated it many times that we have a fundamental understanding of the dialogue and the decisions that have gone before. So, one or two minutes. Thank you very much.

**REVIEW OF PRIOR MANUFACTURING COUNCIL RECOMMENDATIONS**

Shannon Roche, Director, Office of Advisory Committees & Industry Outreach

**MS. ROCHE:** One or two minutes, absolutely. So I will just sound like a collective broken record first and thank you all as well for your service and for your hard work. Our office knows, I think better than anybody, just how much effort you've put into this and it is a privilege to work with you every day. So thank you.

I also wanted to say that it's a privilege to work with Archana, who has joined us. So thank you for just giving me a minute to say that, but has brought a new level of professionalism and, frankly, joy to our office. So thank you.
I did want to just call your attention
to the tracker, which is in your packets. We
don't need to go through it in detail now. And,
in fact, Erin actually just ran through a lot of
the updates that are captured in it.

But I just wanted to let you know that
we will be sharing this with the full Council in
advance of every full Council convening. So
whether that's a call or an in-person meeting,
you'll get this pretty regularly, roughly
monthly, from us.

And it's the document that we use to
hold our colleagues accountable for the
recommendations that you all are kind enough to
offer us. So we've labeled the new updates. We
will continue to do that.

A couple of things we haven't
discussed that I just wanted to call your
attention to is that there was a previous
recommendation to renew and modernize AGOA as
well and so that was also part of the trade
package that passed with TPA.
So lots of good things coming out of your recommendations and we will continue to track them with this and keep you apprised of the Department's efforts. Okay.

CHAIR SMYTH: Thank you very much. I think this is really important. What we're going to take as an action item as well is we need to develop sound bites so that we can practice success, but also put it on a web site or something so people can extract them and use them in their internal publications.

And we should also have similar sound bites on upcoming events, because we don't have time to publicize that ourselves. So I'm taking that on as an action item.

And I would like to introduce our Co-Chairs for the first letter. In addition, I would like to thank the team. And I need to open this section and really set a stage for common understanding of what we are about to hear and the dialogue that is expected. Okay.

This is not a canned recommendation.
This is a straw man. This is not looking for a rubber stamp or restricted to dialogue on minor change. We are looking for significant input.

We don't have time and we are restricted at this meeting. The majority of the dialogue and input needs to be communicated by email to the Chairs. I apologize to the subcommittee Co-Chairs. We are not voting today.

Okay. So I would like to introduce Shirish Pareek and Andra Rush from the Workforce Subcommittee. They co-chair the subcommittee and they will go through the material, and within 25 minutes. If you could hold your time to that, we will have as much meaningful dialogue as possible. And in the interest of time, we'll take the rest of it offline. Thank you.

SUBCOMMITTEE UPDATES & DISCUSSION OF CURRENT RECOMMENDATIONS

Shirish Pareek and Andra Rush, Workforce Subcommittee

MEMBER PAREEK: Thank you for that, Susan and Claudine. Thank you, Deputy Assistant
Secretary Brown. Good afternoon.

I'm excited to be presenting to you our draft recommendations on behalf of the Workforce Subcommittee and the whole Manufacturing Council.

As Susan pointed out, this is work in progress. Our plan is to get the feedback from the whole group and present it for final approval by August 19th.

Before I get started, I wanted to introduce my Co-Chair, Andra Rush, here ---- yes, the copy of the draft letter of recommendation is also included in your packages, so you can follow along. And as we said, look forward to your feedback during the meeting but also after this meeting.

Our subcommittee has two explicit focus areas. The first one is combating the current negative perception of manufacturing and building awareness of its value, potential for high-paying jobs, as well as opportunities for lifelong learning.
Second focus for us is creating the American workforce at every stage and age to meet the skill needs of manufacturing and advanced manufacturing jobs that exist today and in the future.

In coming up with our recommendations, our whole subcommittee has been very aware and cognizant to build upon the work that has been done by the previous Council and previous Skill and Perceptions Subcommittee. And make recommendations to address the point you made, Assistant Secretary Brown, that they are actionable and impactful.

I would like to also thank our whole subcommittee for their significant work and effort that they put in, in a record period of time, to bring this letter to this level of, I guess, advancement.

Our subcommittee consists of Tim O'Meara, Roger Nielsen -- who could not be here today ---- Eric Kelly, Craig Freedman, Jenny Houston ---- who could not be here today and
apologizes -- Ray Yeager, and myself and Andra Rush.

So with that, I will get into the content of our recommendations. There are three primary recommendations that we are making.

First one is launching a pro-manufacturing image campaign, and Andra will get more into the details of that. Second one is looking for ways to engage veterans with their skill set and their capabilities in training them for advanced manufacturing and manufacturing jobs. And third one is around bringing more manufacturing and manufacturing knowledge and curriculum into the middle school and high school.

And I do want to recognize that while this changing and enhancing education in middle school and high school may not fall directly under Secretary of Commerce purview, but this could be certainly something that the Department of Commerce and Secretary can influence.

So with that, I'm going to pass it on
to you.

MEMBER RUSH: Thank you, Shirish. I'm going to start right into our approach. In this letter, we wanted to approach what the current situation is, what are challenges that we perceive, and then provide recommendations.

For any substantive material that you want to investigate further, we've provided attachments or appendices or links in email where you can get advanced or more in-depth detail.

So to start with the pro-manufacturing campaign, our current situation is this: parents pretty much echo that manufacturing jobs are really important, but not for my child. Okay? For everyone else's.

It's the industry that, despite a lot of the efforts, it's still perceived as dark, dirty, dull and dangerous. So we needed something that's innovative, imaginative, inventive, and some -- I need a fourth.

(Laughter)

MEMBER WILLISCH: Inspiring.
MEMBER RUSH: Inspiring. There we go.

I'll get the I's now. So every state echos the labor and their talent shortages specific to the skill sets and in certain sectors and industries.

But specific to manufacturing, just to put it in perspective, by 2025, we're going to -- there will be 3.4 million jobs available in the manufacturing sector. At our current pace, we will be 2 million jobs short or unfilled.

So change is critical for our country.

Getting the message out that these jobs, on average, are approximately 24 percent higher in pay and lead to other career opportunities.

Informing that connectivity is essential in our vantage point.

So we're finding that there's pockets of excellence, but the image and the campaign are known in certain areas of our states or communities, but not on a national focus. So we have provided a recommendation within the letter and I will read this.

I think we have it correctly, but we
recommend a multi-pronged marketing communications approach and ask Secretary Pritzker to endorse and help drive this shift in perception and communication, not only with the Secretary of Labor and Secretary of Education, but also in conjunction with the Manufacturing Institute through NAM and the Ad Council to get them on board to help collaborate and connect and communicate the very important need for skilled trades and the opportunities in manufacturing.

We have listed campaign objectives in our letter, along with a tactical framework. So I encourage you -- again, this is a draft, as you said, Susan. It's a straw man and we welcome everyone's input.

However, if we could receive all communication no later than August 10th, because we'd like to put out the final recommendation on the 19th for a vote.

To segue into Veterans in Manufacturing, all of us here at the table and many people in our community know that with our
military veterans returning home to civilian life, their opportunities for employment are very grave and they're not very apparent.

There's also a lot of adjustment that hasn't been addressed, and knowing that, we have seen an increased rise in suicide among our veteran population and that just is horrible to imagine. So we think with the skills that they've acquired serving our country, that we can help facilitate and endorse that pathway into these manufacturing careers.

The challenge is a lot of people cannot connect the dots or the certification requirements that may have been achieved in the military are not transferred into the private sector. So there's a whole area of our government that's working on that.

But we're trying to make a recommendation that the National Training Program recognize and certify the skills that were acquired within the military, as well as support training and accelerated training for veterans by
offering accommodations for companies that do
hire veterans, as well as help explain the GI
Bill and how that can facilitate apprenticeships
or certifiable skills.

And again, we offer detail in our
appendices. With that, I'm going to turn the
final segment of our focus to Shirish.

MEMBER PAREEK: Thank you, Andra. Our
third and final recommendation at this stage is
around middle and high school education
enhancements.

And I guess everybody around this
table realizes that our current students are
either unaware or uninterested in manufacturing-
related jobs for a bunch of things that have been
discussed here in the past.

There is lack of interest on students'
part. Also lack of awareness on the part of
teachers and guidance counselors, and the
challenge that creates is not every student is
academically interested or geared towards a high
school -- a four-year university program.
Our recommendation is to -- it's actually at three different levels. On middle school level, really injecting a lot more manufacturing-related classroom training, visits to local industry, as well as hands-on project work related to manufacturing.

Both curriculum that could be developed within the educational system, but also using outside ---- we have a -- you will be seeing an appendix which was a proposal presented to us by Scholastic, which develops school curriculum, and engaging them or a similar body to really develop programs to inject manufacturing-related education in middle school.

Again, multi-media approach, classroom approach, hands-on approach, and also a program to really educate the teachers and the guidance counselors as well. So that's on the middle school front.

On the high school front, it's really going deeper into the work that's already being done by the Department of Education around Career
Technical Education. CTE's as some of you might be familiar with.

As well as really launching apprenticeship programs in school, at high school level, where high schools are working in conjunction with industry, working in conjunction with local technical institutes, community colleges, and really supporting the needs of local, regional -- sort of, industry. And even the programs are developed working with the local business and business leaders for what's needed for that region.

The third element of our, sort of, recommendation on middle and high school is this whole concept that is being discussed of stacked accreditations.

So as students go into high school, they acquire certain credits that they can transfer as they -- even if they move into college programs or associate degree programs or community colleges, they can bring their certification points along with them and really
emphasizing that.

And our specific recommendation is promoting the National Career Readiness Certificate, both amongst the students and schools, but also promoting it amongst the employers, such as those represented by the Manufacturing Council so the employers start to give credence and value to those certification points as they are looking for skilled employees.

That brings us to the end of our three recommendations. I will read the summary of our letter as we have written here.

The Council respectfully submits these recommendations to achieve desired outcomes that will help reshape the perceptions of our manufacturing and marshal resources to build our nation's manufacturing talent. We recommend authorization of Carl D. Perkins Career and Technical Education Act of 2006, so the CTE programs actually take roots and continue to grow.

And with that, we ask the Secretary to
engage with the White House, Department of Education and Labor Secretary to build awareness of the CTE programs, dual accreditation for high school students, and really prepare our students and our kids for future employment in the manufacturing sector.

With that, I'll stop. And Andra and I and our whole subcommittee will take any questions that you may have.

CHAIR SMYTH: So I'd like to open the floor for all questions, but I would request that, Chandra, perhaps you could weigh in first and give us some comment and direction.

MS. BROWN: Absolutely. Full of comments. So, obviously, I think this is great. And the first thing that I really appreciate is that it is not kind of a redo or that you are building on the work of the previous Council.

I can't tell you, like that's a really great compliment to folks because so much incredible work has been done and data and learning, like I really see this as kind of a
distillation and crystalizing, if you will, of
work that's been done. So kudos on that. I
think it's great.

I also -- you know, I like the way you
did current situation, challenge and
recommendations. So I think that's a nice
layout. It makes sense.

I would highlight though, I think the
most important for us is the recommendations.
And one of the questions or feedback I would give
is I'm not sure these recommendations are
prioritized among ---- under the sub-sectors. So
I don't know if like the first one is the most
important. Whether it be the three or whether it
be the five or six bullets underneath each one.

And when we talk about -- I'll give
you one, like -- try and give you one, like
really detailed feedback, using as an example ---
- and again this is all great. I mean, some of
these are so fantastically specific, like, you
know, industry businesses will interview and
select potential high school apprentices, pay
wages. You know what I mean?

You go into a pretty good ---- and the

---- one of my favorite recommendations is, too,
is the Carl D. Perkins CTE Act of 2006. We
recommend reauthorization as something on the
books. It's something that certainly Commerce
can weigh in with our other secretaries, so
that's great.

But for something like ---- what I
would ask is, when I look under stacked
accreditation for example, which is the one
without the really cool bullets on what the
recommendations are. But it says something like,
we recommend starting with promoting the National
Career Readiness Certificate, and then moving on.

So using that as an example, I think
that's great. We all agree that, you know, NCRC
is something to be promoted. The question will
be, though, promote it how?

So when we're talking about
specificity, again, some of the feedback I'll
give you is, you know, is the U.S. government not
promoting that? Is it not on certain websites that you think it should be on?

Like, when you say promote, what does that mean? Does that mean that DOE should be holding roundtables -- what, like a -- that's too broad. So, yes, we all agree we should promote it. Does that mean we, you know, embed it in our talking points on a day-to-day basis?

So, those are like some of the feedback I would give you if you really want to go down to specificity on how we at Commerce -- because this one and that section in particular is going to be us making recommendations to our fellow colleagues in other agencies.

So I know they'll come back and they'll be like, well, what do you mean, Chandra? Like, we do promote it, you know? So are what are we not doing?

So that's just an example of some, hopefully, very positive and constructive feedback. Considering overall, there's -- it's great and there's -- you know, a little comment
on that, but just using that as an example.

And thank you for the incredible work that was done on this group and, you know, kudos to being the first ones out with a letter to review. So thank you.

MEMBER PAREEK: Thank you.

CHAIR SMYTH: I'd like to open for further dialogue. Joe?

MEMBER SYLVESTRO: Just quickly. In the area of the high school and the middle school, I noticed that, say, the community college or maybe even a four-year college which offers programs -- you didn't include it.

And I would just relay that we are utilizing those two arenas either, you know, for hiring into the factory, but also to retrain, which is another opportunity, I think, for enhancing.

So maybe I could share, you know, what we're doing. I thought maybe if there was a recommendation of, in addition to the educational elements that you've brought forward, should we
consider promoting, incentivizing these types of other educational schooling areas to focus on it in whatever way? It might be an opportunity to enhance.

MEMBER RUSH: We've looked at that and I think that it does make real logical sense. In the letter, it started off about 11 pages and so it might be in the appendices, but one of my immediate ---- just real quick.

Are the -- is the community college or the university actually coming to your workplace or are you sending your --

CHAIR SMITH: Okay. I apologize for interrupting. Andra, because of the ---- like, yes -- the room configuration, the gentleman taking the notes is having problems hearing both Joe and yourself. So if you could speak up a little more.

MEMBER SYLVESTRO: Do I need to repeat?

CHAIR SMITH: Do we need to repeat? No? On this one? Andra, perhaps if you could
just recapture a little bit, I think.

MEMBER RUSH: In the question, it was just ---- I was wondering if the community college or university is actually coming to your workplace to design the retraining and reeducation?

MEMBER SYLVESTRO: Both ways.

MEMBER RUSH: Both ways.

MEMBER SYLVESTRO: We reach out and they come. Or they have standing programs in which we just utilize.

MEMBER RUSH: Thank you.

MEMBER FRIEDLAND: So first of all, I think it's a really great letter. And for me, being new to the Council, I'm just trying to learn how -- you say specific, but, you know, then everything is inter-agency. So it's interesting to sort of see the different levels.

A question I had was there's two specific White House initiatives that we're very aware of. One, the Joining Forces Initiative for service -- for helping veterans find employment.
Not specifically angled at what you're talking about here, but ---- and then the STEM Initiative that was recently announced.

The question is -- so are these meant to be built off of that or be separate independent programs or maybe it just wasn't -- or maybe that's too specific for these letters. I don't even know, but I --

MEMBER PAREEK: I can address the STEM versus what we are saying here, and it's not even versus. STEM focuses more on science and engineering. And this one is going deeper into more manufacturing, production manufacturing, and other trade skills.

Of course, to do those well, you need to build, to have the right foundation of writing and mathematics and science and physics. So it's really not ---- it's sort of building further and deeper into what is needed on a manufacturing floor in trade skills.

MEMBER FRIEDLAND: So let me offer, I think STEM -- maybe it's Connecticut specific,
but they're doing a very good job of making STEM a popular -- you know, it's beginning to be looked at more and more positively.

    So we may want to draft in that weight, so to speak. In other words, it's kind of a -- so I agree there's differences, but, you know, tag on something that's working perhaps as opposed to maybe trying a different view.

    Because we build in Connecticut ---- we're building a lot of high-tech manufacturing jobs and we try to take the T and the M a little bit --- not manufacturing, but math and, you know, try to equate those. Maybe not very well, but we try.

    CHAIR SMYTH: Okay. And just for point of clarification, that was Rob Friedland, who's the CEO of Proton. I would just ask --

    MEMBER FRIEDLAND: Oh, sorry.

    CHAIR SMYTH: ---- as a protocol, when I identify you in the chair, if you would just repeat your name and your affiliation so that we can collect that in our minutes. Thank you.
Thanks, Rob. Good comment.

I would like to request other questions, answers, and comments from the other side of the table. Any more comments? Cody?

MR. FRIESEN: Cody Friesen, Fluidic Energy.

CHAIR SMYTH: Thank you.

MR. FRIESEN: So you comment on, sort of, the statement associating manufacturing with teachers and with guidance counselors. It seems to me that modifying those people's perspective is probably the biggest hammer that we have to solve the general problem.

Have you found -- have you turned over, any opportunities or studies around how -- you know, what are those best practices to modify or to remove the stigma associated with manufacturing amongst guidance counselors?

Because those are the people that are interacting most closely with the students that are probably our next generation of workers. And so it seems like that's the biggest opportunity,
yet the letter doesn't really go into how we
might go -- and maybe it doesn't even go into,
but how we might go and adjust their perspective
on manufacturing and the kind of the students
that would create a skill set for manufacturers.

MEMBER PAREEK: Cody, we have similar
beliefs as you that both the teachers and
guidance counselors, they are unfavorable to --
and lack of knowledge and awareness to
manufacturing and manufacturing careers.

Our subcommittee also believes that we
don't have enough guidance counselors in a
school, for example, for the number of students
that are out there. And if those that are there
are focused on taking some kids and putting them
into top schools.

So they cherry-pick certain -- so
these are beliefs we have based on our own
research, and the manufacturing -- the whole
manufacturing campaign we talk about, we really
envision it to be multi-faceted. As I said
earlier, impacting the perception of guidance
counselors and teachers, but also parents.

What we haven't done, and we will make notice, what's the issue and why are they negative? So figuring out that, and as we develop our perception campaign, that needs to be figured out. And then what are hooks and how do you change their perception.

MR. FRIESEN: May I add a follow-up question?

CHAIR SMYTH: Yes. We have two minutes, Cody.

MR. FRIESEN: Right, very quickly. So also in metrics for guidance counselors in high schools are often -- what percentage of those students go to four-year colleges? How do we create additional metrics around what percentage of students got gainful employment?

CHAIR SMYTH: Yes.

MR. FRIESEN: Graduated and then, you know, obtained gainful employment with local manufacturers or just local businesses, right? I mean, so tweaking the metrics, also would tweak
the incentives for students, or rather for high
school teachers and guidance counselors?

MEMBER RUSH: We would agree with
that. I don't know if that would be an
influencer the Secretary Pritzker would offer to
the Secretary of Education or Department of
Education.

We're hoping that by taking the
national campaign and getting the parents and the
kids hooked, they can make the shift, but thank
you. Those are definitely good recommendations.

CHAIR SMYTH: Thank you very much. We
have approximately one minute on this. I'd like
to ask the DOC, are there any further comments?

Obviously, we're going to have a great
deal of dialogue on this. This is only an
introduction. Anybody?

Going to first, Chandra. Do you got
any response to some of the comments?

MS. BROWN: I guess my last ---- you
know, final comment, again, you know, besides it
really is a great job and it's a good example.
I'm glad to start out this way. It's a great example for the other committees on a letter and then ultimately a really well done letter.

Again, like some of the things like solicit support of Manufacturing Institute, I think that's great. It's really specific, you know. If you've already done that or you have time to do that before your letter, for example, like saying, we have solicited and they have committed to X, you know, is a great, again, addition if that's possible before.

And to the point on colleges, one of the things I ---- you know, I want to say I completely agree with that. I will say this, I consider incredibly ambitious, like, universities are critical partners. We all know that. Community colleges, but how much can you tackle when you're trying to fix the overall education system in manufacturing.

I mean, I feel great sympathy for my colleagues in education and labor, because it's something that, you know, the entire United
States has been struggling with for many years.
So I appreciate, you know, the specificity and
you kind of tried to grab what you think can have
the most impact.

And so I know that's hard. Education
is a very, very big topic across the United
States. So that would be my final comments.

CHAIR SMYTH: All right, thank you
very much for your input. And I'm going to now
welcome the Innovation, Research and Development
Team to speak. It's co-chaired by Jeff Wilcox
from Lockheed and Christie Wong Barrett from Mac
Arthur Corporation.

Okay, again, given the time, if we can
hold to about 15 minutes total. I would suggest
that you speak for something in the order of ten.
I will let you know, and then we will introduce
five minutes for comment on the floor.

And just heads up, I would like to
address the first question to DAS Brown for input
and clarification. Thank you. Now let's get
started.
MEMBER BARRETT: Thank you, Madam Chair. Deputy Assistant Secretary Brown, thank you very much for the opportunity to serve and advise on the topic of innovation, research and development. And also thank you to my Co-Chair, Jeff Wilcox, and our subcommittees and their staff.

Our subcommittee efforts are represented by Dawn Grove, Al Greene, and Irwin Shur from the Manufacturing Council, as well as Jeff Wilcox and myself. So thank you to everyone for your hard work to date.

Our overall goal as a subcommittee is to help U.S. manufacturers innovate and protect their investment in R & D to secure long-term U.S. economic vitality.

Since the formation of our subcommittee, we have been conducting primary and secondary research, examining previous recommendations, and also the topics of focus for Secretary Pritzker, and also new topics elevated by the IRD Subcommittee.
Our subcommittee topics to date

include National Network for Manufacturing
Innovations evolution, and we'll refer to that as
NNMI going forward for expediency. Supply chain
innovation, and protection of U.S. manufacturers'
intellectual property rights.

When we last met, Secretary Pritzker
requested our support in two specific areas.
Number one, a selection process for anticipated
Commerce or NNMI Institutes, and number two,
inputs to help shape the White House Supply Chain
Innovation Meeting.

In support of these requests, we will
provide you a short briefing on our work to date
against those two priorities. And I'm going to
hand over to Jeff Wilcox first for an overview of
our NNMI activity.

MEMBER WILCOX: Thank you. I've never
heard NNMI referred to as brief or easy to say.

(Laughter)

It's a challenging acronym. It was
great to get -- by the way, the stage setting in
terms of the priorities of the Department and Secretary and the articulation of that. Kind of separating the issues of governance from the future competitions. And we're glad to hear about optimism and planning because we're excited about this and the importance of this type of public/private partnership in terms of energizing the innovation ecosystem of the nation. So very pleased to be working on this.

We don't have recommendations specifically. We have three categories that we're kind of working on, let's say. The first is awareness and participation. How do we ensure people are aware of the existence of the Network and how do we get them to participate more fully and leverage their expertise? The second is technology road mapping and the third is governance of the institute. And I'll just spend a minute on each of those.

In terms of awareness, the big question is how can we bring more SMEs into this ecosystem. The small- or medium-sized
enterprises.

Just in terms of awareness and in terms of promoting best practices for getting them involved, one example of the best practice we saw was a very low, lower tier fee of several hundred dollars for participation in one of the NNMIIs. Others are not so kind in terms of cost of entry. So there are some best practices out there.

Another thing we've been talking about is lowering barriers to participation of U.S. Government engineers at places like NIST for example. There are both legal as well as financial constraints on their ability to be a full participant and share in this ecosystem. So we're looking at some barriers there.

And then of course MEP, which has already come into that as an incredibly effective network at reaching out to small- and medium-sized enterprises. How can the NNMI network and the MEP network best be synergized is the other topic.
In terms of technology road mapping, if you go back to the AMP work, the whole notion of the NNMI's was to bridge what they call the valley of death from basic research and the commercialization.

And so to do that effectively, it's real important that the research have an industry pull as part of this investment in academia and government ecosystem, if you will.

So we're looking at the research road maps. How they're coming together. We're looking at how to create that pull, and we're also looking at integrated road maps between the institutes.

When Congress looks at its responsible to be an overarching governing structure for the NNMI's, how do you, for example, take a digital manufacturing institute and integrate their road map with 3-D printing from America Makes, for example. So we've been having that conversation as well.

And then finally, governance of the
institutes. We've been looking at best practices. Recommendations that are starting to emerge are things like common membership agreements.

I can tell you as a member -- my company is a member of all five of the existing organizations and each were separately negotiated, kind of, from scratch and they each took about 12 months.

There's no reason there can't be a common membership agreement and common IP terms for the various institutions. That's just one emerging example.

And then the other from governance perspective is how can we include other research networks? There are other networks throughout the nation.

The NNMIIs all started regional for a good reason. To create what somebody referred to today as a stickiness to research. However, there's a lot of different research networks and how can we best realize synergies with those
other networks nationally? And with that, I'll turn it back to Christie.

MEMBER WONG BARRETT: On the second topic requested from the Secretary on supply chain innovation, we've reviewed recent research from national subject matter experts from Case Western and Georgia Tech in particular, White House white papers that have been authored very recently on the topic, our National Academy's report, and also AMP 2.0. We interviewed a number of individuals from AMP 2.0 that worked on the supply chain scale up component.

We also conducted a S & E roundtable in Chicago. That included staff from the White House Initiative to try to understand one to one what are some of the issues that are preventing small manufacturers in the Chicago area from innovating their organizations.

In addition, as we have mentioned before, three members of the Manufacturing Council did participate directly within the White House Supply Chain Initiative for that cross-
pollenization between our subcommittee here, between the Manufacturing Council, and between the White House Initiative.

Moving forward, we plan to continue to share insights in real time. We have a pretty open dialogue with the staffers that are participating to the White House on this initiative, as well as individuals within the AMP -- Advanced Manufacturing Program Office.

We plan to continue our research and focus our recommendation on mechanisms to do one of the following three things: either, one, improve information flow within supply chains; number two, reducing barriers to technology adoption for SMEs; and number three, highlighting effective practices that we feel will help SMEs upgrade their capabilities.

Some early ideas have emerged from this recent roundtable, but I think our thoughts are still in gestation and we'll be coming forward with recommendations later. Not immediately.
In the third area -- this was not a specific request from the Department of Commerce, but in addition to our work on those two topics, we are formulating recommendations in two fields of intellectual property.

We understand there is legislation pending in both the House and Senate addressing matters of patent reform. We are not digging into that particular aspect, but what we are focusing rather is recommendations to enhance the quality of patents issuance from the patent office, looking more at the root cause of a patent quality from issuance.

These recommendations, we feel, will build on the momentum of the USPTO's Patent Quality Initiative that was recently launched and it was also available for public comment, which we have reviewed.

And in supplement to that, we are also preparing some recommendations related to the planned 2016 transition of ICANN away from DOC oversight.
We plan to share recommendations for improving ICANN's structure, accountability, and transparency that we feel would increase protection of IP rights of U.S. manufacturers.

So as we move forward to codify recommendations, we'll be requesting support from the full Council, U.S. Government, and industry to weigh in as subject matter experts, of course, and be sounding boards on these topics.

We will be making our IRD subcommittee agenda and calendar available to the full Council so that you can see our thinking as it's emerging and comment at the process. Turn it back over to Chair.

CHAIR SMYTH: DAS Brown, we would like to open for comment.

MS. BROWN: Great. So I will -- I have a few brief comments and I also welcome Erin to make some comments as well. She's obviously been very involved in this.

I think all three of those are very accurate and apropos and I appreciate you talking
about the two questions that we had already asked
from the Secretary previously. It's nice to get
the updates and the details on that.

One of the things I would say in the
recommendations, thinking about the difference
between recommendation letters and, for example,
white papers.

So recommendations, like I liked some
of your things when you were talking about
specifically, like we recommend a common
membership charter. We recommend a lower fee.
Like those, to me, are recommendations and very
specific, you know, nice recommendations that can
come out on a document.

But other things like, you know, an
outreach plan or when we start talking things
like best practices, like best practices on how
do you outreach. I'm not sure that's necessarily
a recommendation. Not like the specific
recommendation of a lower fee, right? But I
think those are equally valuable, but that can be
a different format.
So I want to be careful, like, that we're not, you know, constraining you in ways either. Like, because we've been so focused on recommendation letters, so recommendation letters to me are problem ---- like don't have enough outreach? Here's, like, three or four specific solutions and who could do it.

Different from, hey, we have a bunch of best practices or we're graphing out the inner relationship and plan an infographic between the institutes. Like, that may not be a recommendation. That may be a fact finding, like, here, this is where we think they overlap. And we would love that input as well.

So, you know, I wanted to kind of talk about the differences between white papers and recommendations, because I thought there was some great things that came out in what you said and that some of those might be better suited in one format versus another. So I heard both when you were talking.

So I think those are great. And
particularly again, the prioritization, because those are three really big things. Like if you think one of those flows out more or those three subsets you have -- for example, under one, you know, I would say, for the group as a whole again, probably good even when you do your recommendations letters.

If you simply do them in the order, we can just say, well, whatever order it's in is the priority. And now you can, you don't even have to state it. You can just make it in your letter and we will know that priority. It's in prioritized order for various things.

So those are a few of my comments and that I really -- I liked what you said about specificity and kind of the broaders. I think you did a really nice job in balancing between the two. And Erin may have a few more specific points.

MS. SPARKS: Sure. So I mean great, you guys are completely on track in terms of the type of recommendations we would be looking for
in these areas and, you know, NNMI especially appreciate your thoughts on the government’s awareness. You know, I think with the awareness recommendations even helping us make the case from the private sector view.

The real value of these institutes is something, you know, we tried to -- when we make the case for the value of these institutions, we want to do it from a private sector perspective.

And we try to use words that resonate with the private sector, but how much better is it when you all can help us develop that narrative and point us to specific examples, you know.

And then I would also say, I know you all have been working really closely with a lot of our staff at NIST primarily on these things, but to the extent that we can import closely together to make sure that your recommendations build on things we’re already doing.

So specifically, you mentioned making sure that the MEP centers are being used as
access to the NNMI institutes. We have a couple of things in the works there, just sort of already developed that. And so I'd like to just make sure that your recommendations build on what we're already doing.

MEMBER WILCOX: Definitely.

MS. SPARKS: And in terms of your three areas for the supply chain recommendations, I think they're all right on point in terms of what we're looking for. So I look to you all for your prioritization there.

CHAIR SMYTH: I'd like to open for any further questions?

Okay. I would like to thank you very much for getting us back on time. So we are going to take a break, right? If everybody would reconvene here at 3:00, I would appreciate it.

(Whereupon, the above-entitled matter went off the record at 2:52 p.m. and resumed at 3:04 p.m.)

VICE-CHAIR MARTINEZ: All right. So I want to get things kicked off for the last hour
that we have. Thank you everyone for keeping on task and keeping on focus.

I know that we really enjoy the comradery of the Council and I think that's one that Susan and I would really like to highlight is I think one of the best practices, if you will, of the Manufacturing Council that's been carried on from the last Council and we really appreciate all the congeniality and the comradery.

And to that end, I'm hosting another reception over at the W after this event, so hoping to continue the dialogue and discussion for people that are not flying out and catching planes immediately. For those of you who are, which includes Susan, we're going to end right at 4 o'clock. So if we could all keep that mind if you're a presenter.

And the last housekeeping item I'd like to do real quick is to formally thank Steve Braig for his amazing participation. He is the CEO of Trexel Corporation, or was. He's one of
our champions, both on the previous Council as well as currently on the IRD Council. He served as Co-Chair for our first four months and did an exceptional job. I'm sure the Co-Chairs would agree to that. Mr. Wilcox has been kind enough to step up and --

MEMBER WILCOX: My pleasure.

VICE-CHAIR MARTINEZ: -- and fill in his amazing shoes and he's doing an amazing job so far. A fact that Co-Chair Christie would definitely agree to that.

So on that note, I just wanted to formally note for the record that we really thank him for his participation and service. He unfortunately was not able to serve because in his new job, he's going on to create a consulting firm on his own, which doesn't follow into the strict rubric of our charter and therefore he was unable to continue. But we wanted to give him formal thanks and with that I'll get it going on the subcommittee discussions.

CHAIR SMYTH: Okay. Thank you very
much. So, obviously, we are having problems with
the acoustics in this room. Some of us are
easier to hear than others. So we will work with
our colleagues at the Department of Commerce to
see if we can come up with an electronic version,
perhaps some sort of speakers, the next time.

And there was a great suggestion from
one of our colleagues around the table that said
some people who perhaps speak a little quietly
may feel more comfortable standing when they
speak in order for their voice to project, and
then Josh would be able to pick it up. So I
would ask you to make that decision and call
yourselves. Okay. I would like introduce Jan --
sorry?

VICE-CHAIR MARTINEZ: I forgot to do,
I forgot to get a head count for the W. Could
everybody just raise your hand, and Archana if
she could just go around and count, because we
have to go and stake our claim over there. So
hands high so we can make sure to get a good
count.
CHAIR SMYTH: For a very official
debrief.

(Laughter).

VICE-CHAIR MARTINEZ: It includes
everybody in the room.

CHAIR SMYTH: I expect notes.

(Off microphone comment.)

CHAIR SMYTH: All right.

VICE-CHAIR MARTINEZ: Wonderful.

Okay.

CHAIR SMYTH: Okay.

MEMBER SAHGAL: Thank you.

VICE-CHAIR MARTINEZ: Thank you,

Archana.

CHAIR SMYTH: Okay. Thank you very
much. All right. We're good?

VICE-CHAIR MARTINEZ: We're good.

CHAIR SMYTH: Okay. I would like to
introduce Jan Allman from Marinette Marine and
Bill Yeargin of Correct Craft, and they will be
speaking with respect to the Trade, Tax Policy
and Export Growth Subcommittee. Thank you. You
have 15 minutes.

SUBCOMMITTEE UPDATES & DISCUSSION OF CURRENT RECOMMENDATIONS (Cont'd)

Jan Allman Bill Yeargin, Trade, Tax Policy and Export Growth Subcommittee

MEMBER ALLMAN: Okay. So first all of all, good afternoon and I'm representing -- Bill and I, Carol Craig, Bradley Crews, Jim Keppler, as well as Zach Mottl. So this is our team that has put together this. And ours is really more of a report out, because what Bill describes is we're kind of like the funnel. We're gathering a lot of ideas and information to be able to do a work product. But we have heard, I just want to kind of highlight a couple of things. So the first page that you have in your handout, and actually the first two pages, really talks about areas of focus. So the very first one is really talking about the Top Market Series. So we just want to congratulate the team in putting out the first public report.
And material came out July 14th and we're already contacting various subject matter experts to get their information on what they, get their read on some of the material that we're seeing, as well as how we leverage that to provide feedback that has been requested. In addition to that, you know, our key focus as we boil these items down, so we have been meeting with various subject matter experts.

We have heard that we will be specific. We will make sure that we have actionable items. And we'll also, you know, really look at prioritizing so that that's something that can be delivered.

One thing I do also want to highlight. First I want to congratulate the Department of Commerce, as well as the Administration in getting TPA passed. We were working on a draft letter to submit for August 19th, however, based on the most recent feedback, we will wait until actually it comes out and then provide more detailed information of what we want to reaffirm.
around what has come out around TPA. So we will
take that under advisement.

In addition to that, we are also
working on an emerging letter for EXIM Bank
because that is also a hot button, and we will be
pulling that ahead and we will have that
submitted within the next week or so, so that it
can also be approved for the August 19th
deadline.

So I wasn't going to cover in detail
all the action items, but that's really kind of
what we were working for. I do want to, kind of,
talk a little bit about our process and schedule.
That's on the fourth page. You know, we did do a
face-to-face meeting. We are meeting on
basically weekly call-ins, Mondays. We do have,
we felt it important to have a standardized
communication.

What are we actually sharing with the
various organizations to get their input? We
have put that in Appendix A just as a reference,
or potentially a best practice for other teams
that they could use. And then also, we have
developed an online schedule that we are putting
together, and this just shows the sample of who
actually are we gathering, you know, input from.

So we have a calendar from each group
of who they are actually meeting. We have
committed it in our meetings this morning that
we'll get dates. But our goal is by no later
than December that we will have all the input
from these various organization of what, you
know, their input is for the work that we're
actually working on.

And then the next section is our
subject matter experts. So that is -- we're
really referencing Appendix B, how we actually
track that. We have been meeting with numerous --
- I think we're up to five we've already talked
to, including we had one today. And we're
continuing on with expanding that to get our
topics whittled down on what we want to include
in our letter.

And just kind of want to reaffirm, not
only are we trying to be nimble by pulling ahead
certain sections, but we are committed to
delivering our time line, which is on page 7.
And that's kind of our report out of our
committee, unless someone has any questions.

    CHAIR SMYTH: Thank you, Jan. I would
like to open it to the floor. Cody? Oh. DAS
Brown, tell us if you have a comment. Thanks.

    MS. BROWN: I do. I have a couple
comments. So one, I appreciate this. It's a
nice -- easy to follow Power Point, so thank you
for that. A couple of my quick feedback points
from looking at this, particularly number one,
like when you talked about feedback on the data
from the global markets. I assume that's the Top
Market documents --

    MEMBER ALLMAN: That's correct.

    MS. BROWN: -- the reports we were
talking about. And I know you talked about that
you are sending it to subject matter experts.
Again, some advice I would give is part of what
these are -- for people that aren't subject
matter experts. So if you found some folks that have, let's say, never exported or only exported to one country. In some sense, I'm as equally interested in their thoughts about it. Do they find this helpful? Can they use it as their export plan?

So it's good to get subject matter experts, if someone wants to argue that some of the points, like whether this country or that country. But I'm actually even more interested in, is it helpful to SME's? So again, a super experienced multi-national might say, or a trade expert, might be like, oh, I have all my own ways of doing this and we figure it out.

Well, someone who is a small company who only exports to one country, may find it incredibly helpful. So it would be good, whenever I hear subject matter expert on, is I also like non-subject matter experts. NSME's.

So that was just like some quick feedback for you guys. And then greatly appreciate, as we kind of talked earlier, you
know, EXIM Bank is, you know, moving much quicker
so we totally appreciate your nimbleness and your
flexibility to be able to pull together a letter.

And I would say just to the rest of
the Council, what's critical is when these
letters go, obviously, everyone needs to see
them. Everyone needs to approve them. So your
quick response, but again, I want to be clear, it
doesn't all have to be agreed response. Whether
you agree or disagree, I think the point is like
a quick response on some of these quick turn-
around, you know, will be really helpful back to
the Chairs and the Subcommittee Chairs.

So I would say I really appreciate
that pull out. And for all letters, like TPA and
others, I mean, what we're looking for is
obviously, you know, your advice, your
recommendations, you know, with the details
coming to us. So I'll look forward to and I
appreciate, you know, it's kind of also nice
having a time line, right? Like, of when the
letters and stuff will come.
That does it make it, you know, kind of easier to follow and what to look for and can let you kind of back date them so you can get all your comments from your colleagues. So I think that's very good and those are some of my few, you know, off-the-cuff comments.

MEMBER ALLMAN: Thank you.

MEMBER YEARGIN: Thank you.

CHAIR SMYTH: Thank you very much.

And now I would like to open the floor for question and comment. Once again, a reminder that the cross-fertilization of discussions between the groups is very useful, so make sure you are aware, if are interested in a specific area of the other time frames, we do have that posted or we can make it available for you so you'll know when their internal calls are, and feel free to chime in at any time on those calls.

So once again, Jan and Bill, thank you very much. And if we have no further discussion, we will move to Cody Friesen and Hiroyuki Fujita for the Energy Committee. Thank you.
MEMBER FUJITA: Thank you, Madam Chair. On behalf of the Energy Subcommittee and also my co-chair, Cody Friesen, I will be very pleased to give you the update up to this point.

Our subcommittee consists of Marsha Serlin, over there, and also Rob Friedland here. And also Joe Sylvestro and then Bob Degenef and then the two of us. So at the very beginning of this, you know, Manufacturing Council, there was a request from Secretary Pritzker that was, she said, she did ask one area where we hope to see increased domestic production and export activity is in clean energy manufacturing.

So as we develop, you know, concepts and things for the letter, we are keeping these two points in mind so that we can connect all the dots together. And at the end of the day, we can recommend something actionable and executable. Major target dates we have set for our subcommittee is actually as follows: January or February, 2016, we are intending to submit the letter for full Manufacturing Council review.
And then April of next year, 2016, we are planning to submit this letter to Secretary Pritzker. That's kind of our two big dates we have in mind.

Now, as you all know, energy is a very big subject and unless we are, you know, careful, you know, we can spend all the time and at the end we have nothing to report. So we want to avoid it. So initially, our subcommittee has worked together to come up with five areas of focus. National energy policy, renewable energy, supply chain and regulation, energy public awareness, and then energy community ecosystem. These are the five major, you know, areas we're going to stay focused on.

And, you know, at the same time, we are trying to identify existing programs and connect and enhance them to enable these, you know, focused areas, because we don't have time to reinvent the wheel. So try to understand what's available, that's another thing we keep in mind.
Now, let me start with National Energy Policy update. This morning, we had Dr. Mark Johnson from DOE, and we thank him for briefing us on the NEP, National Energy Policy. It was very informative. What we know today is that NEP exists, but the challenge is that states develop their own energy policy. So of course, this presents the challenge to us with respect to uniformity and standardization. But then at the end of the day, inventions and innovations drive energy policy.

So what we are, you know, working together is to, you know, with DOC of course, to provide more visible, more visibility, on each state's energy policy. So that manufacturers can strategically invest their resources. So that's one of the, you know, topics we want to stay focused on. The renewable energy update. Well, we want to keep and grow renewable energy technologies in the United States, as Secretary Pritzker asked us.

Well, we also have lessons learned
from the past experiences. For example, PV, photovoltaic. We have, United States, spent 63 years of development and then at the end of the day, it went to the offshores, namely Asia. So we want to bring those technologies back to the United States and then we will try to avoid the similar mistake, you know, in the future. So that we make sure that these core competencies stay in the United States.

Supply chain and regulation update.

Supply chain: we are trying to come up with an idea to have a portal to connect suppliers with manufacturers. It's going to be a lot of effort, but that's one of the things we are going to stay focused on.

Now, when you talk about regulation, as some of the members already mentioned, it could go beyond just energy industry, because supply, you know, supply chain and regulations, they go together and then we have to understand it. So perhaps what we could do at this Council is to integrate similar efforts across the
platform of the Manufacturing Council by working
together with other subcommittees.

So that, again, our letter would not,
you know, stay focused on just one topic of one
particular industry, but we can bring up, you
know, visibility to this subject from different
industries, because that's what this
Manufacturing Council represents.

Now, also we are talking
about forming a group to be led by DOC. What I
mean by that? Identify jobs between
manufacturers and suppliers in this country and
then we try to once again make them visible to
the participants. Adjacency, organic networking,
in broader industry, because you never know what
connects to what.

So we are trying to be mindful of this
adjacency. And also synthesize new supply
opportunities by active and timely communication.
That's something we would like to, you know, work
together with the Commerce Department and
leadership. So that's the supply chain.
And energy public awareness update.

Well, this one we are trying to, you know, come up with some ideas, opportunities, to communicate via social media, such as, for example, Facebook or Twitter or LinkedIn. I mean, you know, you do understand what we are trying to do.

Now, for example, we could also explore this idea. Since Manufacturing Day is a highlighted effort in the country and, you know, by the Commerce Department, perhaps we could utilize this Manufacturing Day as a base to also implement this energy, you know, public awareness component to it so that it's going to happen that day and then the resources are already there. So we could perhaps add some more components, you know, to make it more, you know, inclusive.

Now, energy community ecosystem. We haven't captured all the details to that, under that subject yet. But our theory as to what we know is that this Internet of Things, IOT, I mean, it's going to happen. It's happening already. And it's going to be the true case for
energy investing as well. So we want to be mindful as to how we can, you know, add this component to the letter as we go along.

So with that said, I mean, this is the brief update as to where we are. Dr. Cody, please say if you have additional comments to add.

MEMBER FRIESEN: Thank you, Hiro. That was excellent. We recognize that the update was fairly broad strokes. We're just migrating out of information gathering mode to go draft something mode. So please be patient with us.

There are a number of very specific recommendations that we are considering and we'll reserve those until we actually have them on paper.

I just want to highlight one part of what Hiro is discussing, which is around the supply chain side and the concept of developing a portal.

That would be owned by Department of Commerce, ideally. And that portal would really
enable groups to self-form that would connect
suppliers and customers to really sort of clear
through the gaps in the supply chain, identify
adjacencies, to borrow Joe's term, and really
enable supply chain inside the U.S. to really be
more synthetic with sort of a broader cross-sharing of information.

So there's an interesting concept
around how do we enable the equivalent of the
private sector Alibaba in something that would
enable the U.S. supply chain, or greater
information for across the U.S. supply chain.

So that's something that we feel
really strongly about and Joe has been doing a
great job of leading that effort and it's
probably the piece that's furthest along.

In recognizing that every subcommittee
has been doing work in supply chain, we've been
talking about developing a letter specifically
around supply chain that would be synthetic of
all of those works that are going on.

So that's not just energy in your
supply chain, you know. IRD in your supply chain, et cetera. Rather, integrating those together so that we're putting our best foot forward to really reflect the entire Council's look at supply chain. So that's still in discussion, but that's something that we'd like to, kind of, just wanted to put on the floor.

MS. BROWN: Okay. So I have a lot of feedback. This is great. I think energy is such an overarching and incredibly difficult topic to kind of wrap around, so I'm incredibly appreciative. I even like the way that it was framed with the five, you know, major points. I find that incredibly helpful.

Now, some of the advice I would give. One, on public awareness, for example. Again, I'm doing this under the thing of energy. There is so much going on, as you probably know, about awareness in the public and private sector.

And one of the things that I just want to give you a government perspective. We're very careful not ever to be competing, for example,
with the private sector, with trade associations, where there's so much work getting out. Things about energy efficiency standards and all that.

So, you know, public awareness of the five, I find that one kind of the hardest to, like, hard for you to -- I don't know what recommendations of DRES, but there's very specific on some area where we, for example, recommend to the government, where we the government have not specifically publicly outreached.

You know, I'd be curious about that. That's a very broad topic. And especially with we have a lot of global initiatives. We're negotiating a viable goods agreement right now. So I'm just curious. Like, that seems very broad to me, and a hard one.

The other one, I would say, obviously the Secretary is very interested in renewable energy. So, of course, that to us is a priority. One we're prioritizing. Which again, I don't the priority of the five or if you told them to me in
order.

But from the renewable energy side, one of my comments and recommendations is we have a Renewable Energy Advisory Committee. So we have a variety of advisory committees here at Commerce. Manufacturing is obviously one of our big and overarching ones, but we have a whole bunch of sub-sector committees.

And actually, this is easy for you guys, because it's under me. It's my team that runs the Renewable Energy Advisory Committee, which already has, like, 40 executives across the board and they do recommendations on specifically renewable energy areas. So I definitely think we should find, kind of, the overlap there.

And I also think, just again for all of the committees and councils, you know, we've talked about having some joint meetings with other of our advisory committees or even, you know, potential social things. Like I think there's a lot of incredible expertise that you all could provide
back to our specific, you know, like industry specific, let's say, advisory groups. As well as they would enjoy getting to know, you know, better the work of the Council. So again, it's amplifying your own message.

We have so many advisory -- and DOE has their own and, you know, Ag has their own. And so we all have our own advisory committees. But at least in Commerce, something we can kind of control is trying to do some interlacing. Because they have a lot of very specific recommendations to the point of your portal.

So going to the portal, I can tell you that we've done that. Done it meaning in a very specific way, because there's been lots of talk about an overarching supply chain portal here.

We've had this discussion for the past several years with our Council members. And we've kind of likened it to the Affordable Care Act.

You know, like even if it's self-initiated, it's very, very difficult to get all
these suppliers and all these folks and able to meld together and find gaps. Incredibly difficult and very, you know, somewhat costly and time consuming.

What we have done, I can give you a very specific example. Coming out of the Renewable Energy, we built a portal. So we have a portal right now for environmental technology goods. Very specific. It's a portal we have up in EPA regulations.

So again we, Commerce, working with the regulators, and I'm just using this as a specific example. EPA regulation X. And then underneath there, it's, like, solves the problem of whatever. Brownfield, water mitigation, something. And then we will have, like, ten companies that meet that EPA standard.

It's a fantastic portal. People love it. We've now translated it into, like, five different languages. But the only reason why we could do that is a very specific tiny portal that is actually, and we do it in conjunction with EPA
so with the regulator.

We do something similar again in aerospace. We have a NextGen vendor guide, you know. So something that's kind of trying to link, you know, where the NextGen vendors.

But I just want to caution you on portal talk and, like, you know, I love the idea of a national supply chain matching, gap finding, and we would put that probably more background than private sector in the NAM's and some of those other folks. That's where we've kind of talked before about who would have the resources or potentially the ability.

So that's some of my, you know, again, love the idea. But that's where you should really be with that reac and you can go see their, the current, you know, small environmental tech portal that literally people go into and look for their match.

MS. SPARKS: Yeah. And I would just follow up on that in addition to, you know, Chandra's thinking about the tools that are
within our International Trade Administration Bureau.

We also have supply chain tools that our MET's program has. Specifically, if you haven't been briefed on the supplier's scouting work that they do, I think that, you know, it's not a portal, but it's a service that gets at those same kind of goals.

(Off microphone comments)

MS. BROWN: And not energy specific. It's across the board.

MS. SPARKS: It's across the board, but I think it would be a helpful program for you all to be briefed on. And Carol Craig is the Director of that (energy) program. So you can make that connection and make sure you're subcommittee is briefed on that so you can build on it with her.

CHAIR SMYTH: Okay, just to build on that, I just want to call for comment from Jeff Wilcox.

MEMBER WILCOX: All right. Yeah,
well, we can help coordinate that after. I'm on
Carol's advisory board with MEP, so.

MEMBER FUJITA: Oh, good.

MEMBER WILCOX: They were surprised
he's coming and Carol's also on our interview
list for our IRD committee, so we'll work to
combine those.

CHAIR SMYTH: Appreciate that, Jeff.

So I'm hearing a follow up action item on this.
And also probably something that you may want to
deep dive again with Ms. Sparks when we have our
subcommittee Co-Chair meeting.

We have about one minute for comment.

Shirish, did you have a comment?

MEMBER PAREEK: More of a question.

Shirish Pareek, Hydraux Global. Of specific
things you guys are thinking through a managing
subcommittee, one of the thoughts that I when I
talk to some colleagues and other business folks
is what's our nation's long-range energy
strategy. And I wonder if you are indefinite to
the topic.
Energy markets are highly volatile. Some of these technologies are new and recent and they need some stability for them to take off. Otherwise, we go through boom and bust cycles and bunch of energy technologies while oil keeps going up and down and dominates.

MEMBER FRIESEN: Shirish, thank you for the question. I think it's perfect. The very first topic that Hiro talked about was the National Energy Policy.

CHAIR SMYTH: Right.

MEMBER FRIESEN: And I think that's exactly the same challenges that you're highlighting are the ones that we want to make sure that, if possible, and, you know, in the U.S., we're not community controlled.

So it's sort of self-forming in a lot of ways, so I think that's a mistake and so on, but one of the challenges is that there is no uniformity across the country and there is no long-term horizon.

And so companies who might invest in
their infrastructure and lower their overall
costs if they had surety about what's going
forward, what's going to happen going forward,
would do so. And we've seen that in Europe and
other places that have strong national energy
policies.

So we are trying to figure out the
best way to get to something actionable that is
narrow enough in that definition that we could
actually put it forward.

CHAIR SMYTH: Yeah.

MEMBER FRIESEN: So that is the
challenge really. It's less about the quality of
the idea and more about how do we get it specific
and actionable.

CHAIR SMYTH: Okay. Thank you very
much for your questions. And I would ask for any
additional questions or comments be kept to email
or please, please feel free to join the Energy
Subcommittee at some of their meetings. I think,
as well as mentioned, it is a subject that
crosses everyone's area independent of the
subcommittee that you are on.

I would like now to move to a very brief dialogue. Introduce Zach Mottl. Zach, if you --

MEMBER MOTT: Thank you, Madam Chair.

CHAIR SMYTH: -- are going to give a short update on the face-to-face meeting we are going to have in Chicago that you are kind enough to host. Appreciate it.

UPDATE ON OCTOBER MANUFACTURING COUNCIL MEETING IN CHICAGO

Zach Mottl

MEMBER MOTT: Thank you, Madame Chair. Zach Mottl with Atlas Tool and Die Works. In your packet, you have the series of events, information. There's a sheet. These contain the schedule of both the official and unofficial events.

We have talked a lot about public perception and awareness, so I'm excited to have the opportunity to bring the Council to Chicago. Thank you for giving me the opportunity to host
and to the staff and everybody else who is supporting.

We have a critical mass of manufacturing in Chicago and I'm excited to be able to highlight that and hopefully generate some public perception and awareness of the Council's activities, the Department of Commerce's activities.

So on Wednesday the 21st, we host a private reception that highlights, you know, all the good work in manufacturing. And then you'll see the official activities on the next two days.

We'll have one day downtown and one day in Schaumburg, right near O'Hare Airport on the last day so people can get out there quickly and efficiently to O'Hare Airport.

CHAIR SMYTH: Okay. So thank you very much. Very prompt. And what I am going to ask is please reply or respond as soon as possible to Zach.

He has a lot of logistics, a lot of time, limited time. Please RSVP. Are you going
to attend? When are you going to attend? And if
you have personnel traveling with you, please let
him know. Thank you again.

Okay. I would like to open the
session for public comment and I would like to
introduce Professor Andrew Reamer. And welcome
back, Andrew. Good to see you again.

Andrew is a professor with the George
Washington University. And I apologize in
advance, Andrew. You have three minutes and I'm
going to stop talking.

PUBLIC COMMENT

PROFESSOR REAMER: That's fine. I'm
going to run over here so I can finish.

CHAIR SMYTH: Thank you, sir.

PROFESSOR REAMER: So I'm a, as Susan
mentioned, I'm a recent professor at GW. I came
to speak last time. I focus on U.S.
competitiveness policy and I work a boundary
between research and policy development funded by
philanthropic foundations, who are interested in
job creation.
I wanted to update on you things that I've been doing I thought would be of value to the Council. But having heard the subcommittee reports, I might make a couple of suggestions or requests, particularly in response to the workforce and the trade subcommittees.

At the National Academies, there is a committee on middle skills workforce development, in which there was a symposium three weeks ago I present on data resources. But there were papers on veterans. There papers on high school. There were papers on community college. All about middle-skilled jobs. That is jobs that require some education beyond high school but not necessarily a four-year degree.

So I suggest -- Jennifer McNelly, who I think many of you know, with the Manufacturing Institutes. A member of that committee. I suggest talking to her about how the work of your subcommittee can inform their work and vice versa. I'm happy to send to staff here a link to their Web site with their papers, so you can read
their papers. Okay.

In the realm of workforce, there are several things that I think it would be beneficial for the workforce subcommittee to be briefed on and then decide if they want to suggest, make recommendations to the Secretary.

One is that the census bureau is creating a job-to-job flows tool that will allow researchers to look at how people move through their careers, by industry. And hopefully eventually by occupation.

So that would enable researchers in manufacturing to see, okay, what's the trajectory of people coming into manufacturing and staying there or leaving, coming back, whatever. I think very valuable.

So I can give, again, names to staff. The names of these federal agency staff to trade staff for a briefing, if someone -- what I suggest is one person on the subcommittee just get a phone briefing, you know.

So that's one. Two is the inter-
agency task force is working on collecting data on non-degree credentials. That is industry recognized certifications. We don't, the government does not have good data on that right now. I think that's very important to understand what the extent to which an adult in the U.S. work force, particularly manufacturing, have industry recognized certifications in what. And so, and you can -- my time's up, right?

CHAIR SMYTH: Unfortunately, Andrew.

PROFESSOR REAMER: Yeah, okay. All right.

CHAIR SMYTH: But if you could just wrap.

PROFESSOR REAMER: Okay, I will wrap.

So again, I can make that introduction. On the trade side, I mention at this time there's a lot of work going on in figuring out how to map global value chains and measure trade in value added. So for any product, you can see which country is providing value for what.

The Bureau of Economic Analysis and
the U.S. International Trade Commission are the
U.S. representatives in a bunch of international
activities who are creating the framework for
this. So I suggest getting a briefing from staff
from each of those committees to hear what
they're doing.

BEA is part of Commerce and other one
is part of Commerce. The Secretary controls but
also has influence with the outside agencies.

CHAIR SMYTH: I would like to thank
you very much, Professor Reamer.

PROFESSOR REAMER: My pleasure.

CHAIR SMYTH: Extremely useful. We
will follow up. Jan Allman and Bill Yeargin are
heading up the trade. Andra Rush and Shirish
Pareek are heading up the Education and Workforce
Development. So I know they will be reaching out
to you for your contacts. Much appreciated and
it's good to see you again.

PROFESSOR REAMER: Thank you. Nice to
be here.

CHAIR SMYTH: Thank you. Okay. I
would to introduce Mr. David Trumbull. And David
is with Agathon Associates, a textile and trade
consulting. Would you like to sit, David,
because it might be easier for Josh to --

MR. TRUMBULL: Okay. Thank you.
CHAIR SMYTH: -- take the minutes.
MR. TRUMBULL: Yes, I'm David
Trumbell. I am a consultant to U.S.
manufacturers of textiles. I submitted comments
in written form and their in your packets, so I'm
not going to read those to you. If anybody does
need it, I brought extra copies.

In my comments, though, there's one
point I brought up that has not been addressed
today, so I will tell you that. U.S.
Manufactures sometimes need to import inputs to
their process. There are some things we don't
make here. And for three decades, we've had an
understanding that if you're paying an import
duty on something that you couldn't possibly buy
domestically, we can waive through a system we
call the Miscellaneous Tariff Bill.
That expired and Congress has not acted on it and this is costing us. Not just my industry. It's costing many industries millions of dollars. I know of small companies that are paying tens of thousands of dollars monthly in import duties on products that, again, they cannot buy locally. So I urge looking at the Miscellaneous Tariff Bill.

Finally, two things that are not in my comments, because they come up out of today's meeting. One is I tip my hat to Deputy Assistant Secretary Brown. Yesterday, I was going through the Top Market report on textiles and apparel. Fabulous stuff. It's going to be extremely valuable to my clients.

My final comment is I noticed in one of the reports that a subcommittee is looking to the Federal Trade Commission regulations regarding Made in USA claims. In my industry, and this may be specific to us, maybe not to others. In my industry, that could be a real red flag.
We operate under separate FTC rules for textiles and apparel. We have been for years. We're familiar with them. We support them.

We are under real pressure in the negotiations with the European Union, who want to weaken those rules. We don't want to see that happen. And so when I see on an agenda some discussion of Made in USA rules, that causes some worry in my industry.

Secondly related to that, and again this may be specific to my industry, not to others, California has its own rules for Made in USA claims and they conflict with the federal ones.

So the U.S. Government may say this coat is Made in USA and California may say it's not. I believe we need federal preemption in that case.

And again, thank you for this opportunity to speak.

CHAIR SMYTH: Mr. Trumbull, thank you
very much. Once again, Jan Allman and David (sic) Yeargin are heading up the subcommittee in this area and we would really appreciate if they would reach out and get the very valuable information. And thank you very much.

    MS. BROWN: And actually, can I add one comment on that subject, too?

    CHAIR SMYTH: Please.

    MS. BROWN: I believe MTV's were, because our offices do cover that, I believe they were a pass recommendation. So, you know, like, several, maybe a council or two ago, that the recommended passage of an MTV.

    So just so you know, it has been discussed in the past by this Council, but it's up to the new Council and what they choose to, you know, reaffirm or not of other issues.

    MEMBER ALLMAN: They came up this morning. Actually, we had added it into our list and one of our guest speakers that came out. So we have it already working on.

    MS. BROWN: Okay. Thank you.
CHAIR SMYTH: Okay. I'm going to open it up for a general roundtable before our closing remarks. Looking to my left, is there anyone who'd like to? It's been an excellent meeting.

To the right, Bill.

MEMBER YEARGIN: Sorry to --

CHAIR SMYTH: Please.

MEMBER YEARGIN: You got almost to the end.

(Laughter)

CHAIR SMYTH: The Chair would like to recognize Bill.

MEMBER YEARGIN: Just really quickly, I know in these meetings we all talk about how wonderful we all are and I want to say you guys did an amazing job. And I don't use that -- that word is thrown around a lot but you really are and I appreciate that.

CHAIR SMYTH: I think we slipped, too, earlier and it was obviously worth it.

(Laughter)

MEMBER YEARGIN: Secondly, I want to
just --

MS. BROWN: Strike that from the record, Bill.

(Laughter)

MEMBER YEARGIN: I know, I probably think both of our outside contributors to both of those, I think we sold our committee.

CHAIR SMYTH: Thank you. Excellent.

Thank you very much.

MEMBER YEARGIN: Yeah. I would recommend that, as Chair and Vice-Chair, in corroboration with the Department of Commerce, that use some kind of council member evaluation. I know there is multiple committees that have members who have members who have zero participation and aren't interested in participating. And, you know, there may be opportunities. I don't know how it works. If you make changes during the term. But there are -- that one stood out. We don't have to discuss it, but just to get that on the table first.

CHAIR SMYTH: And I know we've had one
or two members that have had to retire from this Council, so I think it would be good to bring some additional hands on board. So we will work with the Department of Commerce to benefit from that. Is there any comment from DAS Brown or Miss --

MS. BROWN: Yes. Well, I just want to make that comment that we've already had, I think, one person actually resign was because they couldn't make it. So, again, I just wanted to, from the Commerce side, say we appreciate that. Like, as much as we love your service and the vetting, but if someone is unable, you know, to attend or participate --

CHAIR SMYTH: At this time, to attend, they may want to attend at another time.

MS. BROWN: Exactly. So, you know, it's fine. So someone is already left. They voluntarily, you know, left because they couldn't contribute and I think, you know, that's not a negative. That's a, you know, compliment that they knew that they couldn't do and that's
absolutely fine with us.

MEMBER YEARGIN: Two more things, just very briefly. I'd love for you guys to consider what we talked about for progress meetings. Some Congressional interaction?

CHAIR SMYTH: Yes.

MEMBER YEARGIN: I thought that was --

CHAIR SMYTH: Yes.

MEMBER YEARGIN: -- very valuable.

CHAIR SMYTH: That is on our agenda.

MEMBER YEARGIN: And then the last thing, we talked about it, Susan and us a little bit, but I think it's just to, it needs to create an awareness here.

I've been on this Council now, this is my third year. Almost every single meeting I've been in, there's been discussion about the issues with connections, you know. And, you know, we don't know. You don't know. And particularly with the SME's.

So I think there's some overarching comment. And the only reason I bring that up
today is for Secretary Pritzker to have an impact. Because that's a cultural thing a little bit, right? For Secretary Pritzker to have an impact on that, you know, we got the recommendation to her soon.

So I'm not sure how to do that, because it goes across all the committees. But, you know, all the committees in this meeting were always talking about do we connect people? People don't know what they what don't know. They don't know who to go to, so --

CHAIR SMYTH: Yeah. I don't know how to solve that, but I will connect two comments and it's one that Chandra made with regard to scope and it's one that Joe made earlier about the supply chain.

So if we can look at the scope of one thing, maybe inside, and then try to make those connections. And then get our lessons learned and grow from that. So I think point well taken.

MEMBER YEARGIN: Thank you.

CHAIR SMYTH: Let's keep it front and
center in our action items.

VICE-CHAIR MARTINEZ: Thank you very much.

CHAIR SMYTH: So I would like to ask the one --

MS. BROWN: Just one quick comment for the record, which is just that if we, if there is any sort of Congressional activity taking place, it would be in one's personal capacity. I'm sorry for interrupting.

CHAIR SMYTH: Absolutely. And we understand that and thank you for making that public record. Again, any final comments?

(No response)

CONCLUDING REMARKS & ADJOURNMENT

CHAIR SMYTH: Okay. I would like to point out and remind everybody that we had less than half the time to pull this information together in this session and we're actually further ahead than the previous Council.

So I've heard the quote, half the time and twice the material, which makes it four times
the productivity, so from that perspective.

(Laughter).

CHAIR SMITH: So I would like to thank everybody around the table for that. And I'm looking at everybody and Josh can't put it on record, but thank you very, very much.

And I would like to formally thank our co-chairs who have been driving this. We have had a change in shift in our format. The co-chairs are bearing the brunt of all of the work, doing a phenomenal job.

I would like to thank Andra Rush from Rush Trucking, Shirish Pareek from Hydraulex Global, Jeff Wilcox from Lockheed, Christie Wong Barrett from Mac Arthur Corporation, Jan Allman from Marinette Marine, Bill Yeargin from Correct Craft, Cody Friesen from Fluidic Energy, and Hiroyuki Fujita at QED. Thank you very much.

Much appreciated.

And a closing thought, and I will say I'm actually echoing Bill on this one. I think we will accelerate through leverage and linkage.
And we talked about yesterday in one of the Council meetings, we're not looking for new horses to run. We're looking to put jockeys on horses that are already running, guys.

So I think we need to look for and pursue integration. We are identifying common problems. I think that's phenomenal. Let's identify common solutions.

I'm going to echo what Jeff said. There are other networks out there. Whether they're in research or training, there are other government programs to leverage and that needs to be our mantra. Accelerate through leverage and linkage.

And with that, I'd like to ask is there any other comment? Because I'm standing between you and either the W or the airport. Neither of which is a good place to be standing. Thank you. Meeting is ended.

(Whereupon, the above-entitled matter was concluded at 3:48 p.m.)
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This is to certify that the foregoing transcript

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