

112TH CONGRESS  
1ST SESSION

# S. 1457

To direct the Secretary of Commerce to establish a Made In America Block Grant Program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2011

Mrs. GILLIBRAND (for herself, Ms. STABENOW, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To direct the Secretary of Commerce to establish a Made In America Block Grant Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Made In America  
5 Block Grant Program Act of 2011”.

6 **SEC. 2. ESTABLISHMENT OF MADE IN AMERICA BLOCK**  
7 **GRANT PROGRAM.**

8 (a) IN GENERAL.—Not later than 120 days after the  
9 date of the enactment of this Act, the Secretary of Com-  
10 merce shall establish a Made In America Block Grant Pro-

1 gram (in this Act referred to as the “program”), under  
2 which the Secretary may make grants to support the man-  
3 ufacturing industry in the United States.

4 (b) HOLLINGS MANUFACTURING PARTNERSHIP PRO-  
5 GRAM.—To the degree practicable, the Secretary shall  
6 carry out the program through the Hollings Manufac-  
7 turing Partnership Program.

8 **SEC. 3. GRANTS.**

9 (a) GRANT USES.—A grant made by the Secretary  
10 of Commerce under the program shall be used by the re-  
11 cipient of the grant to assist, through grants made to third  
12 parties, any of the following activities:

13 (1) Retooling or retrofitting a small- or me-  
14 dium-sized manufacturer, including with respect to  
15 equipment, facilities, infrastructure, or capital.

16 (2) Diversifying the business plan of a small- or  
17 medium-sized manufacturer to advance the produc-  
18 tion of clean energy technology products or compo-  
19 nents, energy efficient products or components, high-  
20 technology products or components, or other ad-  
21 vanced products (as defined by the Secretary).

22 (3) Improving the energy or process efficiency  
23 of a manufacturing facility of a small- or medium-  
24 sized manufacturer.

1           (4) Retraining the employees of a small- or me-  
2           dium-sized manufacturer to—

3                   (A) provide skills necessary to operate new  
4                   or advanced manufacturing equipment; or

5                   (B) sustain or improve the processes of  
6                   that manufacturer.

7           (5) Training new employees of a small- or me-  
8           dium-sized manufacturer, including through on-the-  
9           job training.

10           (6) Providing capital and technical expertise to  
11           a small- or medium-sized manufacturer to expand  
12           the export opportunities of that manufacturer.

13           (7) Establishing a revolving loan fund to pro-  
14           vide loans to small- or medium-sized manufacturers  
15           to finance the costs of activities described in para-  
16           graphs (1) through (6).

17           (8) Such other projects as the Secretary con-  
18           siders appropriate to support the manufacturing in-  
19           dustry of the United States.

20           (b) ELIGIBLE ENTITIES.—

21                   (1) IN GENERAL.—The following entities are el-  
22                   igible to receive a grant under the program:

23                           (A) A State meeting the requirements of  
24                           paragraph (2).

1 (B) A covered unit of local government  
2 meeting the requirements of paragraph (2).

3 (C) An Indian tribe meeting the require-  
4 ments of paragraph (2).

5 (D) A State, unit of local government, In-  
6 dian tribe, or consortium of such entities with-  
7 out regard to whether the requirements of para-  
8 graph (2) are met.

9 (2) UNEMPLOYMENT.—An entity meets the re-  
10 quirements of this paragraph if—

11 (A) the entity experienced a seasonally ad-  
12 justed unemployment rate of at least 10 percent  
13 for any 6 consecutive months during the period  
14 beginning on January 1, 2007, and ending on  
15 December 31, 2010 (as determined by the Sec-  
16 retary of Commerce in consultation with the  
17 Secretary of Labor); or

18 (B) the entity experienced a cumulative de-  
19 cline in employment in the manufacturing sec-  
20 tor greater than or equal to 15 percent during  
21 the period beginning on January 1, 2007, and  
22 ending on December 31, 2010 (as determined  
23 by the Secretary of Commerce in consultation  
24 with the Secretary of Labor).

1 (c) ALLOCATION OF GRANT FUNDS.—In making  
2 grants each fiscal year, the Secretary may—

3 (1) use not more than 48 percent of the  
4 amounts made available for grants under the pro-  
5 gram that fiscal year to make grants to entities de-  
6 scribed in subsection (b)(1)(A);

7 (2) use not more than 48 percent of the  
8 amounts made available for grants under the pro-  
9 gram that fiscal year to make grants to entities de-  
10 scribed in subsection (b)(1)(B);

11 (3) use not more than 2 percent of the amounts  
12 made available for grants under the program that  
13 fiscal year to make grants to entities described in  
14 subsection (b)(1)(C); and

15 (4) use not more than 2 percent of the amounts  
16 made available for grants under the program that  
17 fiscal year to make grants to entities described in  
18 subsection (b)(1)(D).

19 (d) PRIORITY FOR CERTAIN ENTITIES.—In providing  
20 grants to entities described in subsection (b)(1)(D), the  
21 Secretary shall give priority to an entity that experienced  
22 a seasonally adjusted unemployment rate that was at least  
23 97 percent of the national seasonally adjusted unemploy-  
24 ment rate for any 3 consecutive months during the most  
25 recently completed fiscal year.

1 (e) PROHIBITION ON GRANTS TO CERTAIN COVERED  
2 UNITS OF LOCAL GOVERNMENT.—A covered unit of local  
3 government may not receive a grant under the program  
4 if located within a State that has received a grant under  
5 the program.

6 (f) USE OF FUNDS IN UNITED STATES.—A manufac-  
7 turer who receives an amount from an eligible entity under  
8 the program to carry out an activity may only use such  
9 funds to carry out such activity in the United States.

10 **SEC. 4. REQUIREMENTS FOR GRANT RECIPIENTS.**

11 (a) APPLICATION PROCESS.—To receive a grant  
12 under the program, an entity eligible for a grant under  
13 section 3(b) shall submit to the Secretary of Commerce  
14 an application at such time, in such manner, and con-  
15 taining such information as the Secretary may require,  
16 but which shall include at least the plan of that entity  
17 to carry out, through grants made to third parties, an ac-  
18 tivity described in section 3(a).

19 (b) PROPOSED MANUFACTURING ENHANCEMENT  
20 STRATEGY.—Not later than 6 months after the date on  
21 which an entity eligible for a grant under section 3(b) re-  
22 ceives notice that it has been awarded a grant under the  
23 program, the entity shall submit to the Secretary a pro-  
24 posed manufacturing enhancement strategy, which shall  
25 include—

1           (1) a description of the plans of the entity to  
2           make grants to third parties with grant funds;

3           (2) a description of the goals with respect to  
4           such grants, including—

5                   (A) the number of jobs to be created or re-  
6                   tained by third-party grant recipients;

7                   (B) the sales to be increased or retained by  
8                   third-party grant recipients;

9                   (C) the cost savings to be achieved by  
10                  third-party grant recipients due to energy effi-  
11                  ciency savings;

12                  (D) the workforce training investments to  
13                  be made by third-party grant recipients, includ-  
14                  ing—

15                           (i) the number of training hours to be  
16                           provided; and

17                           (ii) a description of the nationally  
18                           portable, industry recognized credentials  
19                           or, if not available, other credentials, re-  
20                           lated to the targeted industry cluster that  
21                           the eligible entity proposes to support, de-  
22                           velop, or use as a performance measure, in  
23                           order to carry out the goals of the entity  
24                           with respect to the proposed manufac-  
25                           turing enhancement strategy;

1 (E) the amount of capital to be provided to  
2 small- or medium-sized manufacturers to ex-  
3 pand the export opportunities of manufacturers;  
4 and

5 (F) private investments from the third  
6 party recipients or affiliated private investors  
7 leveraged by grant funding;

8 (3) a written assurance that the entity intends  
9 to establish a Made In America Partnership  
10 Board—

11 (A) to assist the entity in making grants to  
12 third parties; and

13 (B) which shall be comprised of, to the ex-  
14 tent practicable, representatives of—

15 (i) economic development agencies of  
16 State and local governments;

17 (ii) departments of labor;

18 (iii) workforce investment boards and  
19 agencies;

20 (iv) institutions of higher education,  
21 including community colleges run by a  
22 State;

23 (v) economic development organiza-  
24 tions;

25 (vi) chambers of commerce;



- 1 (vii) nonprofit organizations;
- 2 (viii) philanthropic organizations;
- 3 (ix) industry associations; and
- 4 (x) such other organizations or enti-
- 5 ties as the entity considers appropriate;

6 (4) a description of the plans of the entity to  
7 foster, through the Made In America Partnership  
8 Board, collaboration between State and local eco-  
9 nomic development organizations and agencies, State  
10 and local workforce development organizations and  
11 agencies, small- or medium-sized manufacturers, and  
12 institutions of higher education (including commu-  
13 nity colleges run by a State) to—

14 (A) improve resource allocation; and

15 (B) ensure comprehensive counseling, tech-  
16 nical assistance, workforce development, and ex-  
17 port assistance are provided to small- or me-  
18 dium-sized manufacturers.

19 (c) APPROVAL OF PROPOSED MANUFACTURING EN-  
20 HANCEMENT STRATEGIES.—

21 (1) IN GENERAL.—The Secretary shall approve  
22 or disapprove a proposed manufacturing enhance-  
23 ment strategy submitted under subsection (b) not  
24 later than 90 days after the date on which the Sec-  
25 retary receives such strategy.

1           (2) DISBURSEMENT OF GRANT FUNDS PROHIB-  
2           ITED WITHOUT APPROVAL.—The Secretary shall not  
3           disburse to an entity awarded a grant under the pro-  
4           gram the grant funds relating to that grant until the  
5           proposed manufacturing enhancement strategy of  
6           that entity has been approved by the Secretary.

7           (3) OPPORTUNITY FOR RESUBMISSION.—If the  
8           Secretary does not approve a proposed manufac-  
9           turing enhancement strategy submitted under sub-  
10          section (b), the Secretary shall provide to the entity  
11          that submitted the strategy—

12                   (A) the reasons for disapproval; and

13                   (B) an opportunity to revise and resubmit  
14          the strategy until such strategy is approved.

15          (d) LOCAL GOVERNMENTS.—In developing a pro-  
16          posed manufacturing enhancement strategy under sub-  
17          section (b), a covered unit of local government shall share  
18          information relating to potential grant activities with the  
19          State that includes that government to ensure the maxi-  
20          mization of resources made available to small- or medium-  
21          sized manufacturers.

22          (e) COORDINATION WITH HOLLINGS MANUFAC-  
23          TURING EXTENSION CENTERS.—Each grant recipient  
24          shall, to the extent appropriate, coordinate with a Hollings  
25          Manufacturing Extension Center as a preferred provider

1 of services to implement the manufacturing enhancement  
2 strategy of the recipient.

3 (f) WORKFORCE TRAINING INVESTMENTS.—

4 (1) IN GENERAL.—A recipient of a grant under  
5 the program may not use more than half of the  
6 amount of the grant for workforce training invest-  
7 ments.

8 (2) TRAINING AND RETRAINING OF EMPLOY-  
9 EES.—Each grant recipient shall, with respect to  
10 training new employees and retraining employees of  
11 small- or medium-sized manufacturers, help postsec-  
12 ondary educational institutions, training institutions,  
13 apprenticeship programs, and other training pro-  
14 grams align curricula, entrance requirements, and  
15 programs to industry demand and nationally port-  
16 able, industry-recognized credentials (or, if not avail-  
17 able for the targeted industry, other credentials, as  
18 the Secretary considers appropriate), particularly for  
19 higher skill, high-priority occupations validated by  
20 the industry.

21 (g) ADMINISTRATIVE EXPENSES.—With respect to a  
22 grant, a grant recipient may use for the administrative  
23 expenses of the recipient an amount that is not more than  
24 the greater of—

25 (1) 10 percent of the grant amount received; or

1           (2) \$75,000.

2           (h) ANNUAL REPORTS.—Not later than one year  
3 after the date on which grant funds are received by a  
4 grant recipient under the program, and annually there-  
5 after, the grant recipient shall submit to the Secretary a  
6 report describing—

7           (1) grants made by the grant recipient to third  
8 parties with grant funds;

9           (2) achievements with respect to the goals iden-  
10 tified in the proposed manufacturing enhancement  
11 strategy of the grant recipient; and

12           (3) for each third party recipient, the achieve-  
13 ments of such third party with respect to relevant  
14 goals specified in the proposed manufacturing en-  
15 hancement strategy of the grant recipient.

16 **SEC. 5. STATE AND LOCAL ADVISORY COMMITTEE.**

17           The Secretary of Commerce shall establish an advi-  
18 sory committee to advise the Secretary with respect to im-  
19 plementing and evaluating the program, which shall be  
20 comprised of—

21           (1) individuals representing State and local en-  
22 tities;

23           (2) individuals representing small- or medium-  
24 sized manufacturers; and

1           (3) other individuals determined appropriate for  
2           inclusion by the Secretary.

3 **SEC. 6. REVIEW AND EVALUATION.**

4           (a) GRANT RECIPIENTS.—The Secretary of Com-  
5 merce may review and evaluate the performance of a grant  
6 recipient under the program as the Secretary determines  
7 appropriate.

8           (b) INELIGIBILITY FOR FUTURE GRANTS.—The Sec-  
9 retary may determine a grant recipient to be ineligible to  
10 receive additional grants under the program if the Sec-  
11 retary determines that the grant recipient has failed to  
12 achieve compliance with—

13           (1) any applicable guideline or regulation of the  
14 Secretary relating to the program, including with re-  
15 spect to the misuse or misappropriation of funds  
16 provided under the program; or

17           (2) the proposed manufacturing enhancement  
18 strategy of the grant recipient.

19 **SEC. 7. GAO STUDY AND REPORT.**

20           (a) STUDY.—The Comptroller General shall conduct  
21 a study on the program, which shall include an analysis  
22 of—

23           (1) grants made by the Secretary of Commerce  
24 under the program;

1           (2) grants made to third parties by the recipi-  
2           ents of grants made by the Secretary under the pro-  
3           gram;

4           (3) outcomes relating to proposed manufac-  
5           turing enhancement strategies submitted to the Sec-  
6           retary;

7           (4) administrative costs relating to the pro-  
8           gram;

9           (5) activities of the Secretary, the recipients of  
10          grants made by the Secretary, and third party grant  
11          recipients under the program, including whether the  
12          activities of those entities are accomplishing the pur-  
13          poses of this Act; and

14          (6) other information determined appropriate  
15          by the Comptroller General for assessing the per-  
16          formance and financial accountability of the pro-  
17          gram.

18          (b) REPORT.—Not later than 2 years after the date  
19          on which the Secretary makes the first grant under the  
20          program, and every 2 years thereafter, the Comptroller  
21          General shall submit to Congress a report describing the  
22          results of the study conducted under subsection (a), which  
23          shall include any recommendations the Comptroller Gen-  
24          eral determines are appropriate for modifying the pro-  
25          gram.

1 (c) ACCESS TO RECORDS.—

2 (1) IN GENERAL.—For purposes of conducting  
3 the study under subsection (a), the Comptroller Gen-  
4 eral, and any duly authorized representative of the  
5 Comptroller General, shall be permitted to access,  
6 examine, and copy any documents, records, and  
7 other recorded information—

8 (A) within the possession or control of—

9 (i) the recipient of a grant made by  
10 the Secretary under the program; or

11 (ii) the recipient of a grant made by  
12 an entity described in clause (i) with grant  
13 funds; and

14 (B) determined by the Comptroller Gen-  
15 eral, or the duly authorized representative of  
16 the Comptroller General, to be relevant to the  
17 study.

18 (2) PROPRIETARY INFORMATION.—The Comp-  
19 troller General may not make proprietary informa-  
20 tion obtained under this section available to the pub-  
21 lic without the consent of the party to whom the in-  
22 formation belongs.

23 **SEC. 8. DEFINITIONS.**

24 In this Act:

1 (1) COVERED UNIT OF LOCAL GOVERNMENT.—

2 The term “covered unit of local government” means  
3 a unit of a government of—

4 (A) a municipality—

5 (i) with a population of at least  
6 50,000 individuals; or

7 (ii) with a population that is less than  
8 50,000 individuals, but that is one of the  
9 10 largest municipalities by population in  
10 the State including that municipality; or

11 (B) a county—

12 (i) with a population of at least  
13 200,000 individuals; or

14 (ii) with a population that is less than  
15 200,000 individuals, but that is one of the  
16 10 largest counties by population in the  
17 State including that county.

18 (2) INDIAN TRIBE.—The term “Indian tribe”  
19 has the meaning given that term in section 4 of the  
20 Indian Self-Determination and Education Assistance  
21 Act (25 U.S.C. 450b).

22 (3) MANUFACTURER.—The term “manufac-  
23 turer” shall be defined by the Secretary of Com-  
24 merce in accordance with the North American In-  
25 dustry Classification System.



1           (4) **NATIONALLY PORTABLE.**—The term “na-  
2           tionally portable”, with respect to a credential,  
3           means a credential that is sought or accepted by  
4           businesses within the industry sector involved, across  
5           multiple States, as a recognized, preferred, or re-  
6           quired credential for recruitment, screening, or hir-  
7           ing purposes.

8           (5) **SMALL- OR MEDIUM-SIZED MANUFAC-**  
9           **TURER.**—The term “small- or medium-sized manu-  
10          facturer” means a manufacturer that is a small  
11          business concern (as such term is defined in section  
12          3 of the Small Business Act (15 U.S.C. 632)).

13          (6) **STATE.**—The term “State” means each of  
14          the 50 States, the District of Columbia, and any ter-  
15          ritory or possession of the United States.

16 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

17          (a) **IN GENERAL.**—There are authorized to be appro-  
18          priated to the Secretary of Commerce for making grants  
19          under the program such sums as may be necessary.

20          (b) **ADMINISTRATIVE EXPENSES.**—There are author-  
21          ized to be appropriated to the Secretary for administrative  
22          expenses relating to the program such sums as may be  
23          necessary.

24          (c) **SENSE OF CONGRESS.**—It is the sense of Con-  
25          gress that amounts made available to carry out the pro-

- 1 gram should supplement and not supplant other funding
- 2 provided by Federal departments and agencies to support
- 3 the manufacturing industry.

