

Calendar No. 298

115TH CONGRESS
2D SESSION

S. 701

[Report No. 115–204]

To improve the competitiveness of United States manufacturing by designating and supporting manufacturing communities.

IN THE SENATE OF THE UNITED STATES

MARCH 22, 2017

Mrs. GILLIBRAND (for herself, Mr. BLUMENTHAL, Mr. MORAN, Mrs. CAPITO, Mr. KING, Ms. COLLINS, Ms. BALDWIN, Ms. KLOBUCHAR, and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

FEBRUARY 5, 2018

Reported by Mr. THUNE, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To improve the competitiveness of United States manufacturing by designating and supporting manufacturing communities.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Made in America Man-
3 ufacturing Communities Act of 2017”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) **MANUFACTURING COMMUNITY SUPPORT**
7 **PROGRAM.**—The term “Manufacturing Community
8 Support Program” means the program established
9 under section 3(a).

10 (2) **PARTICIPATING AGENCY.**—The term “par-
11 ticipating agency” means a Federal agency that
12 elects to participate in the Manufacturing Commu-
13 nity Support Program.

14 (3) **PARTICIPATING PROGRAM.**—The term “par-
15 ticipating program” means a program identified by
16 a participating agency under section 3(c)(1)(C).

17 (4) **SECRETARY.**—The term “Secretary” means
18 the Secretary of Commerce.

19 **SEC. 3. PROGRAM TO DESIGNATE AND SUPPORT MANUFAC-**

20 **TURING COMMUNITIES.**

21 (a) **PROGRAM AUTHORIZED.**—The Secretary shall es-
22 tablish a program to improve the competitiveness of
23 United States manufacturing—

24 (1) by designating consortiums as manufac-
25 turing communities under subsection (b); and

1 (2) by supporting manufacturing communities,
2 as so designated, under subsection (e).

3 (b) DESIGNATION OF MANUFACTURING COMMU-
4 NITIES.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (7), for purposes of the Manufacturing Com-
7 munity Support Program, the Secretary shall des-
8 ignate eligible consortiums as manufacturing com-
9 munities through a competitive process.

10 (2) ELIGIBLE CONSORTIUMS.—

11 (A) IN GENERAL.—An eligible consortium
12 is a consortium that—

13 (i) represents a region defined by the
14 consortium in accordance with subparagraph (B);

16 (ii) includes at least one—

17 (I) institution of higher edu-
18 cation;

19 (II) a private sector entity; and

20 (III) a government entity;

21 (iii) may include one or more—

22 (I) private sector partners;

23 (II) institutions of higher edu-
24 cation;

25 (III) government entities;

1 (IV) economic development and
2 other community and labor groups;

3 (V) financial institutions; or

4 (VI) utilities;

5 (iv) has, as a lead applicant—

6 (I) a district organization (as de-
7 fined in section 300.3 of title 13,
8 Code of Federal Regulations, or suc-
9 cessor regulation);

10 (II) an Indian tribe (as defined
11 in section 4 of the Indian Self-Deter-
12 mination and Education Assistance
13 Act (25 U.S.C. 450b)) or a consor-
14 tium of Indian tribes;

15 (III) a State or a political sub-
16 division of a State, including a special
17 purpose unit of a State or local gov-
18 ernment engaged in economic or in-
19 frastructure development activities; or
20 a consortium of political subdivisions;

21 (IV) an institution of higher edu-
22 cation or a consortium of institutions
23 of higher education; or

24 (V) a public or private nonprofit
25 organization or association that has

1 an application that is supported by a
2 State, a political subdivision of a
3 State, or a native community.

4 (B) **REGIONS.**—Subject to approval by the
5 Secretary, a consortium may define the region
6 that it represents if the region—

7 (i) is large enough to contain critical
8 elements of the key technologies or supply
9 chain prioritized by the consortium; and

10 (ii) is small enough to enable close
11 collaboration among members of the con-
12 sortium.

13 (3) **DURATION.**—Each designation under para-
14 graph (1) shall be for a period of two years.

15 (4) **RENEWAL.**—

16 (A) **IN GENERAL.**—Upon receipt of an ap-
17 plication submitted under subparagraph (B),
18 the Secretary may renew a designation made
19 under paragraph (1) for up to two additional
20 two-year periods. Any designation as a manu-
21 facturing community or renewal of such des-
22 ignation that is in effect before the date of the
23 enactment of this Act shall count toward the
24 limit set forth in this subparagraph.

(B) APPLICATION FOR RENEWAL.—An eligible consortium seeking a renewal under subparagraph (A) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(C) MODIFICATIONS AUTHORIZED.—The Secretary may renew a designation under subparagraph (A) for an eligible consortium that—

(i) has changed its composition, either

by adding or removing members; or

(ii) as part of its application under

subparagraph (B), submits a revision to

the plan submitted under paragraph

(5)(B)(iv) or the strategy submitted under

~~paragraph (5)(B)(v).~~

(D) EVALUATION FOR RENEWAL.—In determining whether to renew a designation of an eligible consortium under paragraph (1), the Secretary shall assess the eligible consortium based upon—

(i) the performance of the consortium

against the terms of the consortium's most

recent designation under paragraph (1)

1 and any post-designation awards the con-
2 sortium may have received;

3 (ii) the progress the consortium has
4 made with respect to project-specific
5 metrics the consortium proposed in the
6 consortium's application for the most re-
7 cent designation under paragraph (1), par-
8 ticularly with respect to those metrics that
9 were designed to help communities track
10 their own progress;

11 (iii) whether any changes to the com-
12 position of the eligible consortium or revi-
13 sions to the plan or strategy described in
14 subparagraph (C)(ii) would improve the
15 competitiveness of United States manufac-
16 turing; and

17 (iv) such other criteria as the Sec-
18 retary considers appropriate.

19 (5) APPLICATION FOR DESIGNATION.—

20 (A) IN GENERAL.—An eligible consortium
21 seeking a designation under paragraph (1) shall
22 submit an application to the Secretary at such
23 time and in such manner as the Secretary may
24 require.

1 (B) CONTENTS.—Each application sub-
2 mitted to the Secretary under subparagraph (A)
3 include—

4 (i) a description of the regional
5 boundaries of the consortium;

6 (ii) a description of the manufacturing
7 concentration of the consortium, including
8 an assessment of how the manufacturing
9 concentration of the consortium competi-
10 tively ranks nationally according to meas-
11 ures relating to employment, sales, location
12 quotients for an industry's level of con-
13 centration, or such other measures as the
14 Secretary considers appropriate;

15 (iii) an integrated assessment of the
16 local industrial ecosystem of the region of
17 the consortium, which may include assess-
18 ment of workforce and training, supplier
19 network, research and innovation, infra-
20 structure or site development, trade and
21 international investment, operational im-
22 provements, and capital access components
23 needed for manufacturing activities in such
24 region;

(iv) an evidence-based plan for developing components of such ecosystem (selected by the consortium)—

(H) by making specific investments to address gaps in such ecosystem; and

(H) by making the manufacturing of the region of the consortium uniquely competitive;

(v) a description of the investments the consortium proposes and the implementation strategy the consortium intends to use to address gaps in such ecosystem;

(vi) a description of the outcome-based metrics, benchmarks, and milestones that the consortium will track and the evaluation methods the consortium will use while designated as a manufacturing community to gauge performance of the strategy of the consortium to improve the manufacturing in the region of the consortium; and

(vii) such other matters as the Secretary considers appropriate.

1 (6) EVALUATION OF APPLICATIONS.—The Secretary shall evaluate each application received under
2 paragraph (5) to determine—
3

4 (A) whether the applicant demonstrates a significant level of regional cooperation in their
5 proposal; and
6

7 (B) how the manufacturing concentration
8 of the applicant competitively ranks nationally
9 according to measures described in paragraph
10 (5)(B)(ii).

11 (7) CERTAIN COMMUNITIES PREVIOUSLY RECOGNIZED.—Each consortium that was designated as
12 a manufacturing community by the Secretary in carrying out the Investing in Manufacturing Communities Partnership initiative of the Department of
13 Commerce before the date of the enactment of this
14 Act shall be deemed a manufacturing community
15 designated under this subsection if such consortium
16 is still designated as a manufacturing community by
17 the Secretary as part of such initiative.
18
19
20

21 (e) SUPPORT FOR DESIGNATED MANUFACTURING
22 COMMUNITIES.—
23

24 (1) PREFERENTIAL CONSIDERATION.—
25 (A) IN GENERAL.—Except as provided in
subparagraph (D), if a member of a consortium

1 designated as a manufacturing community
2 under subsection (b) seeks financial or technical
3 assistance under a participating program of a
4 participating agency, the head of such agency
5 may give preferential consideration to such
6 member with respect to the awarding of such fi-
7 nancial or technical assistance if—

- 8 (i) such head considers the award of
9 the financial or technical assistance con-
10 sistent with the economic development
11 strategy of the consortium; and
12 (ii) the member otherwise meets all
13 applicable requirements for the financial or
14 technical assistance.

15 (B) PARTICIPATING AGENCIES.—The See-
16 retary shall invite other Federal agencies to be-
17 come participating agencies of the Manufac-
18 turing Community Support Program.

19 (C) PARTICIPATING PROGRAMS.—The head
20 of each participating agency shall identify all
21 programs administered by such participating
22 agency that are applicable to the Manufacturing
23 Community Support Program.

1 (D) MULTIPLE MEMBERS OF THE SAME
2 CONSORTIUM SEEKING THE SAME FINANCIAL
3 OR TECHNICAL ASSISTANCE.—

4 (i) IN GENERAL.—If a participating
5 agency receives applications for the same
6 financial or technical assistance from more
7 than one member of the same consortium
8 designated as a manufacturing community
9 under subsection (b), the head of such
10 agency may determine how preference will
11 be given under subparagraph (A), includ-
12 ing by requiring the consortium to select
13 which of the members should be given
14 preference.

15 (ii) COORDINATION.—If the head of a
16 participating agency determines that more
17 than one member of a consortium should
18 be given preference for financial or tech-
19 nical assistance under subparagraph (A),
20 he or she may require such members to
21 demonstrate coordination with each other
22 in developing their applications for the fi-
23 nancial or technical assistance.

24 (E) REPORT.—Not later than 90 days
25 after the date of the enactment of this Act, the

1 head of each participating agency shall submit
2 a report to the Secretary that specifies how the
3 head will give preferential consideration under
4 subparagraph (A).

5 (2) TECHNICAL ASSISTANCE.—The Secretary
6 may make a Federal point of contact available to
7 each consortium designated as a manufacturing
8 community under subsection (b) to help the mem-
9 bers of the consortium access Federal funds and
10 technical assistance.

11 (3) FINANCIAL AND TECHNICAL ASSISTANCE.—

12 (A) IN GENERAL.—Under the Manufac-
13 turing Community Support Program, the head
14 of a participating agency may award financial
15 or technical assistance to a member of a consor-
16 tium designated as a manufacturing community
17 under subsection (b) as he or she considers ap-
18 propriate for purposes of such program and
19 consistent with the economic development strat-
20 egy of the consortium.

21 (B) USE OF FUNDS.—

22 (i) IN GENERAL.—A recipient of fi-
23 nancial or technical assistance under sub-
24 paragraph (A) may use such financial or
25 technical assistance to support an invest-

1 ment in an ecosystem that will improve the
2 competitiveness of United States manufac-
3 turing.

4 (ii) INVESTMENTS SUPPORTED.—In-
5 vestments supported under this subparagraph
6 may include—

- 7 (I) infrastructure;
- 8 (II) access to capital;
- 9 (III) promotion of exports and
10 foreign direct investment;
- 11 (IV) equipment or facility up-
12 grades;
- 13 (V) workforce training or retrain-
14 ing;
- 15 (VI) energy or process efficiency;
- 16 (VII) business incubators;
- 17 (VIII) site preparation;
- 18 (IX) advanced research;
- 19 (X) supply chain development;
- 20 and
- 21 (XI) small business assistance.

22 (4) COORDINATION.—

23 (A) COORDINATION BY SECRETARY OF
24 COMMERCE.—The Secretary shall coordinate

1 with the heads of the participating agencies to
2 identify programs under paragraph (1)(C).

3 (B) INTER-AGENCY COORDINATION.—The
4 heads of the participating agencies shall coordinate
5 with each other—

6 (i) to leverage complementary activities,
7 including from non-Federal sources,
8 such as philanthropies; and
9 (ii) to avoid duplication of efforts.

10 (d) RECEIPT OF TRANSFERRED FUNDS.—The Secretary
11 may accept amounts transferred to the Secretary
12 from the head of another participating agency to carry out
13 this section.

14 **SECTION 1. SHORT TITLE.**

15 *This Act may be cited as the “Made in America Manufacturing Communities Act of 2017”.*

16 **SEC. 2. DEFINITIONS.**

17 In this Act:

18 (1) MANUFACTURING COMMUNITY SUPPORT PROGRAM.—The term “Manufacturing Community Support Program” means the program established under section 3(a).

19 (2) PARTICIPATING AGENCY.—The term “participating agency” means a Federal agency that elects to

1 participate in the Manufacturing Community Sup-
2 port Program.

3 (3) *PARTICIPATING PROGRAM*.—The term “par-
4 ticipating program” means a program identified by
5 a participating agency under section 3(c)(1)(C).

6 (4) *SECRETARY*.—The term “Secretary” means
7 the Secretary of Commerce.

8 **SEC. 3. PROGRAM TO DESIGNATE AND SUPPORT MANUFAC-**
9 **TURING COMMUNITIES.**

10 (a) *PROGRAM AUTHORIZED*.—The Secretary shall es-
11 tablish a program to improve the competitiveness of United
12 States manufacturing—

13 (1) by designating consortiums as manufac-
14 turing communities under subsection (b); and

15 (2) by supporting manufacturing communities,
16 as so designated, under subsection (c).

17 (b) *DESIGNATION OF MANUFACTURING COMMU-*
18 *NITIES*.—

19 (1) *IN GENERAL*.—Except as provided in para-
20 graph (7), for purposes of the Manufacturing Commu-
21 nity Support Program, the Secretary shall designate
22 eligible consortiums as manufacturing communities
23 through a competitive process.

24 (2) *ELIGIBLE CONSORTIUMS*.—

- 1 (A) IN GENERAL.—An eligible consortium is
2 a consortium that—
3 (i) represents a region defined by the
4 consortium in accordance with subparagraph (B);
5
6 (ii) includes at least one—
7 (I) institution of higher education;
8
9 (II) a private sector entity; and
10 (III) a government entity;
11
12 (iii) may include one or more—
13 (I) private sector partners;
14 (II) institutions of higher education;
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16 (III) government entities;
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18 (IV) economic development and other community and labor groups;
19
20 (V) financial institutions; or
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22 (VI) utilities;
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24 (iv) has, as a lead applicant—
25
26 (I) a district organization (as defined in section 300.3 of title 13, Code of Federal Regulations, or successor regulation);

1 (II) an Indian tribe (as defined
2 in section 4 of the Indian Self-Deter-
3 mination and Education Assistance
4 Act (25 U.S.C. 450b)) or a consortium
5 of Indian tribes;

6 (III) a State or a political sub-
7 division of a State, including a special
8 purpose unit of a State or local govern-
9 ment engaged in economic or infra-
10 structure development activities, or a
11 consortium of political subdivisions;

12 (IV) an institution of higher edu-
13 cation or a consortium of institutions
14 of higher education; or

15 (V) a public or private nonprofit
16 organization or association that has an
17 application that is supported by a
18 State, a political subdivision of a
19 State, or a native community.

20 (B) REGIONS.—Subject to approval by the
21 Secretary, a consortium may define the region
22 that it represents if the region—
23 (i) is large enough to contain critical
24 elements of the key technologies or supply
25 chain prioritized by the consortium; and

(ii) is small enough to enable close collaboration among members of the consortium.

(4) RENEWAL.—

(C) MODIFICATIONS AUTHORIZED.—The Secretary may renew a designation under subparagraph (A) for an eligible consortium that—

1 (i) has changed its composition, either
2 by adding or removing members; or
3 (ii) as part of its application under
4 subparagraph (B), submits a revision to the
5 plan submitted under paragraph (5)(B)(iv)
6 or the strategy submitted under paragraph
7 (5)(B)(v).

8 (D) EVALUATION FOR RENEWAL.—In deter-
9 mining whether to renew a designation of an eli-
10 gible consortium under paragraph (1), the Sec-
11 retary shall assess the eligible consortium based
12 upon—

13 (i) the performance of the consortium
14 against the terms of the consortium’s most
15 recent designation under paragraph (1) and
16 any post-designation awards the consortium
17 may have received;

18 (ii) the progress the consortium has
19 made with respect to project-specific metrics
20 the consortium proposed in the consortium’s
21 application for the most recent designation
22 under paragraph (1), particularly with re-
23 spect to those metrics that were designed to
24 help communities track their own progress;

(iv) such other criteria as the Secretary considers appropriate.

(5) APPLICATION FOR DESIGNATION.—

(B) CONTENTS.—Each application submitted to the Secretary under subparagraph (A) shall include—

(i) a description of the regional boundaries of the consortium;

1 quotients for an industry's level of con-
2 centration, or such other measures as the
3 Secretary considers appropriate;

4 (iii) an integrated assessment of the
5 local industrial ecosystem of the region of
6 the consortium, which may include assess-
7 ment of workforce and training, such as
8 that involving women and underrepresented
9 minorities, supplier network, research and
10 innovation, infrastructure or site develop-
11 ment, trade and international investment,
12 operational improvements, and capital ac-
13 cess components needed for manufacturing
14 activities in such region;

15 (iv) an evidence-based plan for devel-
16 oping components of such ecosystem (se-
17 lected by the consortium)—

18 (I) by making specific investments
19 to address gaps in such ecosystem; and

20 (II) by making the manufacturing
21 of the region of the consortium unique-
22 ly competitive;

23 (v) a description of the investments the
24 consortium proposes and the implemen-

1 *tion strategy the consortium intends to use*
2 *to address gaps in such ecosystem;*

3 *(vi) a description of the outcome-based*
4 *metrics, benchmarks, and milestones that*
5 *the consortium will track and the evalua-*
6 *tion methods the consortium will use while*
7 *designated as a manufacturing community*
8 *to gauge performance of the strategy of the*
9 *consortium to improve the manufacturing*
10 *in the region of the consortium; and*

11 *(vii) such other matters as the Sec-*
12 *retary considers appropriate.*

13 *(6) EVALUATION OF APPLICATIONS.—The Sec-*
14 *retary shall evaluate each application received under*
15 *paragraph (5) to determine—*

16 *(A) whether the applicant demonstrates a*
17 *significant level of regional cooperation in their*
18 *proposal; and*

19 *(B) how the manufacturing concentration of*
20 *the applicant competitively ranks nationally ac-*
21 *cording to measures described in paragraph*
22 *(5)(B)(ii).*

23 *(7) CERTAIN COMMUNITIES PREVIOUSLY RECOG-*
24 *NIZED.—Each consortium that was designated as a*
25 *manufacturing community by the Secretary in car-*

1 rying out the Investing in Manufacturing Commu-
2 nities Partnership initiative of the Department of
3 Commerce before the date of the enactment of this Act
4 shall be deemed a manufacturing community des-
5 gnated under this subsection if such consortium is
6 still designated as a manufacturing community by
7 the Secretary as part of such initiative.

8 (c) SUPPORT FOR DESIGNATED MANUFACTURING COM-
9 MUNITIES.—

10 (1) PREFERENTIAL CONSIDERATION.—

11 (A) IN GENERAL.—Except as provided in
12 subparagraph (D), if a member of a consortium
13 designated as a manufacturing community
14 under subsection (b) seeks financial or technical
15 assistance under a participating program of a
16 participating agency, the head of such agency
17 may give preferential consideration to such
18 member with respect to the awarding of such fi-
19 nancial or technical assistance if—

20 (i) such head considers the award of
21 the financial or technical assistance con-
22 sistent with the economic development strat-
23 egy of the consortium; and

1 (ii) the member otherwise meets all ap-
2 plicable requirements for the financial or
3 technical assistance.

4 (B) *PARTICIPATING AGENCIES.*—The Sec-
5 retary shall invite other Federal agencies to be-
6 come participating agencies of the Manufac-
7 turing Community Support Program.

8 (C) *PARTICIPATING PROGRAMS.*—The head
9 of each participating agency shall identify all
10 programs administered by such participating
11 agency that are applicable to the Manufacturing
12 Community Support Program.

13 (D) *MULTIPLE MEMBERS OF THE SAME*
14 *CONSORTIUM SEEKING THE SAME FINANCIAL OR*
15 *TECHNICAL ASSISTANCE.*—

16 (i) *IN GENERAL.*—If a participating
17 agency receives applications for the same fi-
18 nancial or technical assistance from more
19 than one member of the same consortium
20 designated as a manufacturing community
21 under subsection (b), the head of such agen-
22 cy may determine how preference will be
23 given under subparagraph (A), including by
24 requiring the consortium to select which of
25 the members should be given preference.

1 (ii) COORDINATION.—If the head of a
2 participating agency determines that more
3 than one member of a consortium should be
4 given preference for financial or technical
5 assistance under subparagraph (A), he or
6 she may require such members to dem-
7 onstrate coordination with each other in de-
8 veloping their applications for the financial
9 or technical assistance.

10 (E) REPORT.—Not later than 90 days after
11 the date of the enactment of this Act, the head of
12 each participating agency shall submit a report
13 to the Secretary that specifies how the head will
14 give preferential consideration under subpara-
15 graph (A).

16 (2) TECHNICAL ASSISTANCE.—The Secretary
17 may make a Federal point of contact available to
18 each consortium designated as a manufacturing com-
19 munity under subsection (b) to help the members of
20 the consortium access Federal funds and technical as-
21 sistance.

22 (3) FINANCIAL AND TECHNICAL ASSISTANCE.—

23 (A) IN GENERAL.—Under the Manufac-
24 turing Community Support Program, the head
25 of a participating agency may award financial

1 *or technical assistance to a member of a consor-*
2 *tium designated as a manufacturing community*
3 *under subsection (b) as he or she considers ap-*
4 *propriate for purposes of such program and con-*
5 *sistent with the economic development strategy of*
6 *the consortium.*

7 *(B) USE OF FUNDS.—*

8 *(i) IN GENERAL.—A recipient of finan-*
9 *cial or technical assistance under subparagraph (A) may use such financial or tech-*
10 *nical assistance to support an investment in an ecosystem that will improve the competi-*
11 *tiveness of United States manufacturing.*

12 *(ii) INVESTMENTS SUPPORTED.—In-*
13 *vestments supported under this subparagraph may include—*

- 14 *(I) infrastructure;*
15 *(II) access to capital;*
16 *(III) promotion of exports and foreign direct investment;*
17 *(IV) equipment or facility upgrades;*
18 *(V) workforce training, retraining, or recruitment and retention, in-*

1 *cluding that of women and underrep-*
2 *resented minorities;*

3 *(VI) energy or process efficiency;*

4 *(VII) business incubators;*

5 *(VIII) site preparation;*

6 *(IX) advanced research;*

7 *(X) supply chain development;*

8 *and*

9 *(XI) small business assistance.*

10 *(4) COORDINATION.—*

11 *(A) COORDINATION BY SECRETARY OF COM-*
12 *MERCE.—The Secretary shall coordinate with the*
13 *heads of the participating agencies to identify*
14 *programs under paragraph (1)(C).*

15 *(B) INTER-AGENCY COORDINATION.—The*
16 *heads of the participating agencies shall coordi-*
17 *nate with each other—*

18 *(i) to leverage complementary activi-*
19 *ties, including from non-Federal sources,*
20 *such as philanthropies; and*

21 *(ii) to avoid duplication of efforts.*

22 *(d) RECEIPT OF TRANSFERRED FUNDS.—The Sec-*
23 *retary may accept amounts transferred to the Secretary*
24 *from the head of another participating agency to carry out*
25 *this section.*

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