

113TH CONGRESS
1ST SESSION

S. 63

To require the Secretary of Commerce and the Secretary of Labor to establish the Made In America Incentive Grant Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 22 (legislative day, JANUARY 3), 2013

Mrs. GILLIBRAND (for herself, Mr. LAUTENBERG, Mr. MERKLEY, Mr. BLUMENTHAL, and Mr. COONS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To require the Secretary of Commerce and the Secretary of Labor to establish the Made In America Incentive 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 Man-
5 ufacturing Act of 2013”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **INDUSTRY CLUSTER.**—The term “industry
9 cluster” means a concentration of interconnected

1 businesses, suppliers, research and development enti-
2 ties, service providers, and associated institutions in
3 a particular field that are linked by common manu-
4 facturing and workforce needs.

5 (2) MANUFACTURER.—The term “manufac-
6 turer” shall be defined by the Secretary of Com-
7 merce in accordance with the North American In-
8 dustry Classification System.

9 (3) NATIONALLY PORTABLE.—The term “na-
10 tionally portable”, with respect to a credential,
11 means a credential that is sought or accepted by
12 businesses within the industry sector involved, across
13 multiple States, as a recognized, preferred, or re-
14 quired credential for recruitment, screening, ad-
15 vancement, or hiring purposes.

16 (4) PROGRAM.—The term “Program” means
17 the program established under section 3(a).

18 (5) REGIONAL PARTNERSHIP.—The term “re-
19 gional partnership” means a collaborative group
20 that—

21 (A) organizes key stakeholders in a tar-
22 geted industry cluster or broader manufac-
23 turing partnership into a working group that
24 focuses on the needs of manufacturers in order

1 to implement a manufacturing enhancement
2 strategy;

3 (B) includes, at the appropriate stage of
4 development of the partnership—

5 (i) representatives of multiple firms or
6 employers in the targeted industry cluster,
7 including small- or medium-sized manufac-
8 turers and large manufacturers when prac-
9 ticable;

10 (ii) one or more representatives of
11 State labor organizations, central labor
12 coalitions, or other labor organizations, ex-
13 cept in instances where no labor represen-
14 tation exists;

15 (iii) one or more representatives of
16 postsecondary educational institutions or
17 other training providers;

18 (iv) one or more representatives of
19 State workforce agencies or other entities
20 providing employment services; and

21 (v) one or more representatives of a
22 State or local government or Indian tribe
23 (as defined in section 4 of the Indian Self-
24 Determination and Education Assistance
25 Act (25 U.S.C. 450b));

1 (C) may include representatives of—

2 (i) State or local economic develop-
3 ment agencies;

4 (ii) other State or local agencies;

5 (iii) chambers of commerce;

6 (iv) nonprofit organizations;

7 (v) philanthropic organizations;

8 (vi) economic development organiza-
9 tions;

10 (vii) industry associations;

11 (viii) a local or regional Hollings Man-
12 ufacturing Extension Center; and

13 (ix) other organizations, as deter-
14 mined necessary by the members com-
15 prising the industry or sector partnership;
16 and

17 (D) designates as the fiscal agent for the
18 collaborative group a not-for-profit organization
19 or government entity that is a member of the
20 collaborative group.

21 (6) SMALL-SIZED MANUFACTURER.—The term
22 “small-sized manufacturer” means a manufacturer
23 that is a small business concern.

24 (7) SMALL BUSINESS CONCERN.—The term
25 “small business concern” has the meaning given

1 such term under section 3 of the Small Business Act
2 (15 U.S.C. 632).

3 (8) STATE.—The term “State” means each of
4 the 50 States, the District of Columbia, and any ter-
5 ritory or possession of the United States.

6 **SEC. 3. ESTABLISHMENT OF MADE IN AMERICA INCENTIVE**
7 **GRANT PROGRAM.**

8 (a) ESTABLISHMENT.—Not later than 180 days after
9 the date of the enactment of this Act, the Secretary of
10 Commerce and the Secretary of Labor shall jointly estab-
11 lish a program under which the secretaries shall jointly
12 award incentive grants to eligible entities to support the
13 manufacturing industry in the United States.

14 (b) ADMINISTRATION.—The Secretary of Labor shall
15 administer the Program with respect to all matters relat-
16 ing to the use of incentive grants for job training and the
17 Secretary of Commerce shall administer the Program with
18 respect to all other matters.

19 (c) ELIGIBLE ENTITIES.—For purposes of the Pro-
20 gram, an eligible entity is any of the following:

21 (1) A State.

22 (2) A regional partnership.

23 (d) DESIGNATION.—The program established under
24 subsection (a) shall be known as the “Made In America
25 Incentive Grant Program”.

1 (e) COORDINATION.—In carrying out the Program,
2 the Secretary of Commerce and the Secretary of Labor
3 shall coordinate with such other heads of Federal agencies
4 as the secretaries consider appropriate.

5 **SEC. 4. INCENTIVE GRANTS.**

6 (a) MAXIMUM AMOUNT.—An incentive grant award-
7 ed by the Secretary of Commerce and the Secretary of
8 Labor under the Program may not exceed \$20,000,000.

9 (b) USE OF FUNDS.—An incentive grant awarded by
10 the Secretary of Commerce and the Secretary of Labor
11 under the Program shall be used by the recipient of the
12 incentive grant to carry out a manufacturing enhancement
13 strategy through the following:

14 (1) Establishing a revolving loan fund to issue
15 loans to manufacturers to finance the cost of any of
16 the following:

17 (A) Retooling, retrofitting, expanding, or
18 establishing (including applicable engineering
19 costs) a manufacturer in the United States, in-
20 cluding with respect to equipment, facilities, in-
21 frastructure, or capital.

22 (B) Activities relating to improving the en-
23 ergy or process efficiency of a manufacturer,
24 but not relating to or involving training.

1 (2) Retraining the employees of the manufac-
2 turers, including through the awarding of grants to
3 not-for-profit third parties—

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

6 (B) to sustain or improve the processes of
7 the manufacturer.

8 (3) Training new employees of the manufactur-
9 ers, including through the awarding of grants to not-
10 for-profit third parties—

11 (A) to provide on-the-job training;

12 (B) to provide off-site training;

13 (C) for classroom and on-site experiential
14 learning;

15 (D) for the development and implementa-
16 tion of registered apprenticeship programs; and

17 (E) for such other activities as the Sec-
18 retary of Labor considers appropriate for train-
19 ing new employees of the manufacturers.

20 (4) Creating or expanding export activity and
21 domestic supply chain opportunities by providing
22 capital and technical expertise to the manufactur-
23 ers—

1 (A) to facilitate new connections in domes-
2 tic supply chains between small-sized manufac-
3 turers and other manufacturers; and

4 (B) for such other activities as the Sec-
5 retary of Commerce considers appropriate.

6 (5) Such other activities as the Secretary of
7 Commerce and the Secretary of Labor consider ap-
8 propriate to carry out a manufacturing enhancement
9 strategy.

10 (c) INTEREST RATES.—Loans issued under sub-
11 section (b)(1) shall bear an interest rate determined by
12 the entity receiving the incentive grant as follows:

13 (1) The interest rate shall enable the loan re-
14 cipient to accomplish the activities described in sub-
15 paragraphs (A) and (B) of subsection (b)(1).

16 (2) The interest rate may be set below market
17 interest rates.

18 (3) The interest rate may not be less than zero
19 percent.

20 (4) The interest rate may not exceed the cur-
21 rent prime rate plus 500 basis points.

22 (d) USE OF FUNDS IN UNITED STATES.—A recipient
23 of an incentive grant under the Program may only use
24 such grant to carry out activities in the United States and
25 to improve manufacturing in the United States.

1 **SEC. 5. REQUIREMENTS FOR INCENTIVE GRANT RECIPI-**
2 **ENTS.**

3 (a) APPLICATION.—

4 (1) IN GENERAL.—An entity seeking an incen-
5 tive grant under the Program shall submit to the
6 Secretary of Commerce and the Secretary of Labor
7 an application therefor at such time, in such form,
8 and in such manner as the Secretary of Commerce
9 and the Secretary of Labor may require.

10 (2) ELEMENTS.—Each application submitted
11 under paragraph (1) shall include the following:

12 (A) The manufacturing enhancement strat-
13 egy for which the entity is seeking an incentive
14 grant under the Program.

15 (B) Such other information as the Sec-
16 retary of Commerce and the Secretary of Labor
17 consider appropriate.

18 (3) PROPOSED MANUFACTURING ENHANCE-
19 MENT STRATEGY.—Each manufacturing enhance-
20 ment strategy submitted under paragraph (2)(A) by
21 an entity for an incentive grant shall include the fol-
22 lowing:

23 (A) A description of the plans of the entity
24 to make loans or grants to third parties with
25 funds from the incentive grant and how such
26 plans will improve the competitiveness of a par-

1 ticular industry cluster identified by the entity
2 and of manufacturing in the United States in
3 one or more industries.

4 (B) A description of the expected economic
5 return on investment of the entity's manufac-
6 turing enhancement strategy with respect to the
7 incentive grant, including the following:

8 (i) The number of jobs to be created
9 or retained by third-party recipients of
10 loans or grants issued or awarded by the
11 entity under the Program.

12 (ii) The sales to be increased or re-
13 tained by such third-party recipients.

14 (iii) The cost savings to be achieved
15 by such third-party recipients due to en-
16 ergy efficiency savings or other activities
17 supported by loans issued or grants award-
18 ed by the entity under the Program.

19 (iv) The workforce training invest-
20 ments to be made by the entity or such
21 third-party recipients, including—

22 (I) the number of training hours
23 to be provided; and

24 (II) a description of the nation-
25 ally portable, industry recognized cre-

1 dentials or, if not available, other cre-
2 dentials, related to the targeted indus-
3 try cluster that the entity proposes to
4 support, develop, or use as a perform-
5 ance measure, in order to carry out
6 the goals of the entity with respect to
7 the proposed manufacturing enhance-
8 ment strategy.

9 (v) The amount of capital and tech-
10 nical assistance to be provided to manufac-
11 turers to expand the export opportunities,
12 facilitate new domestic supply chains, or
13 carry out other authorized activities.

14 (vi) Private investments from the
15 third-party recipients or affiliated private
16 investors leveraged by grant funding.

17 (vii) How the entity will address, to
18 the extent practicable, economic distress,
19 including high rates of unemployment, sit-
20 uations of sudden and severe economic dis-
21 location, in particular where mass layoffs
22 result in a precipitous increase in unem-
23 ployment, and such other similar issues of
24 economic distress as the Secretary of Com-
25 merce considers appropriate.

1 (C) A description of how the entity intends
2 to establish a Made In America Partnership
3 Board—

4 (i) to assist the entity in issuing loans
5 and awarding grants to third parties;

6 (ii) to ensure the coordination and
7 best use of Federal, State, regional, and
8 local assets and resources for the imple-
9 mentation of the proposed manufacturing
10 enhancement strategy; and

11 (iii) which shall be comprised of, to
12 the extent practicable, representatives of—

13 (I) economic development agen-
14 cies of State and local governments;

15 (II) departments of labor;

16 (III) workforce investment
17 boards and agencies;

18 (IV) institutions of higher edu-
19 cation, including community colleges
20 run by a State;

21 (V) economic development orga-
22 nizations;

23 (VI) chambers of commerce;

24 (VII) nonprofit organizations;

- 1 (VIII) philanthropic organiza-
2 tions;
3 (IX) industry associations;
4 (X) labor organizations;
5 (XI) a local or regional Hollings
6 Manufacturing Extension Center; and
7 (XII) such other organizations or
8 entities as the entity considers appro-
9 priate.

10 (D) A description of the plans of the entity
11 to foster, through the Made In America Part-
12 nership Board established by the entity, collabo-
13 ration between Federal entities, State and local
14 economic development organizations and agen-
15 cies, State and local workforce development or-
16 ganizations and agencies, manufacturers, and
17 institutions of higher education (including com-
18 munity colleges run by a State)—

19 (i) to improve resource allocation, in-
20 cluding coordinating the use of other Fed-
21 eral, State, and local funding sources to
22 improve intended results;

23 (ii) to identify opportunities to lever-
24 age additional public and private funding

1 for the purposes of implementing the man-
2 ufacturing enhancement strategy; and

3 (iii) to ensure comprehensive coun-
4 seling, technical assistance, workforce de-
5 velopment, and export assistance are pro-
6 vided to manufacturers.

7 (b) PRIORITY FOR ENTITIES WITH MATCHING
8 FUNDS.—

9 (1) IN GENERAL.—In awarding incentive grants
10 under the Program to entities to carry out manufac-
11 turing enhancement strategies, the Secretary of
12 Commerce and the Secretary of Labor shall give pri-
13 ority to an entity that, with respect to the costs to
14 be incurred by the entity in carrying out a manufac-
15 turing enhancement strategy under the Program,
16 the entity identifies and commits contributions in an
17 amount equal to not less than 50 percent of Federal
18 funds provided under the incentive grant.

19 (2) SOURCE OF CONTRIBUTIONS.—A contribu-
20 tion described in paragraph (1) may consist of non-
21 Federal funds, in-kind contributions, including con-
22 tributions of space, equipment, services, and such
23 other kinds of funds and contributions as the Sec-
24 retary of Commerce and the Secretary of Labor con-
25 sider appropriate.

1 (c) COORDINATION WITH HOLLINGS MANUFAC-
2 TURING EXTENSION CENTERS.—Each recipient of an in-
3 centive grant under the Program shall coordinate with a
4 Hollings Manufacturing Extension Center as a preferred
5 provider of services to implement the manufacturing en-
6 hancement strategy of the recipient as determined by the
7 Secretary of Commerce and the Secretary of Labor.

8 (d) WORKFORCE TRAINING INVESTMENTS.—

9 (1) IN GENERAL.—Not more than half of
10 amounts appropriated or otherwise made available to
11 carry out the Program may be used as described in
12 paragraphs (2) and (3) of section 4(b).

13 (2) TRAINING AND RETRAINING OF EMPLOY-
14 EES.—Each recipient of an incentive grant under
15 the Program shall, with respect to training new em-
16 ployees and retraining employees of manufacturers,
17 help postsecondary educational institutions, training
18 institutions, apprenticeship programs, and other
19 training programs align curricula, entrance require-
20 ments, and programs to industry demand and na-
21 tionally portable, industry-recognized credentials (or,
22 if not available for the targeted industry, other cre-
23 dentials, as the Secretary of Labor considers appro-
24 priate), particularly for higher skill, high-priority oc-

1 cupations (as determined by the Secretary of
2 Labor).

3 (e) ADMINISTRATIVE EXPENSES.—A recipient of an
4 incentive grant under the Program may only use such
5 amount of the incentive grant for costs associated with
6 administering the incentive grant as the Secretary of Com-
7 merce and the Secretary of Labor shall specify in solicita-
8 tions for applications for incentive grants.

9 (f) ANNUAL REPORTS.—For each recipient of an in-
10 centive grant awarded under the Program, not later than
11 1 year after the date on which the recipient first receives
12 funds under the Program, and not less frequently than
13 once each year thereafter, the recipient shall submit to the
14 Secretary of Commerce and the Secretary of Labor a re-
15 port describing—

16 (1) the loans and grants issued and awarded by
17 the recipient to third parties using incentive grant
18 funds;

19 (2) the achievements with respect to the goals
20 identified in the proposed manufacturing enhance-
21 ment strategy of the grant recipient;

22 (3) for each third-party recipient, the achieve-
23 ments of such third party with respect to relevant
24 goals specified in the proposed manufacturing en-
25 hancement strategy of the grant recipient; and

1 (4) in the case of a recipient who used grants
2 amounts as described in paragraphs (2) and (3) of
3 section 4(b), common employment outcomes using
4 measures established by the Secretary of Labor.

5 **SEC. 6. ESTABLISHMENT OF STATE AND LOCAL ADVISORY**
6 **COMMITTEE REQUIRED.**

7 The Secretary of Commerce and the Secretary of
8 Labor shall jointly establish an advisory committee to ad-
9 vise the secretaries with respect to implementing and eval-
10 uating the Program, which shall be comprised of the fol-
11 lowing:

12 (1) One or more individuals who represent a
13 State government.

14 (2) One or more individuals who represent a
15 local government.

16 (3) One or more individuals who represent a re-
17 gional planning organization or economic develop-
18 ment organization.

19 (4) One or more individuals who represent the
20 education sector.

21 (5) One or more individuals who represent the
22 manufacturing sector.

23 (6) One or more individuals who represent a
24 labor organization.

1 (7) Such other individuals as the Secretary con-
2 siders appropriate.

3 **SEC. 7. REVIEW AND EVALUATION.**

4 (a) GRANT RECIPIENTS.—The Secretary of Com-
5 merce and the Secretary of Labor may review and evaluate
6 the performance of a recipient of an incentive grant under
7 the Program as the secretaries consider appropriate.

8 (b) INELIGIBILITY FOR FUTURE GRANTS.—The Sec-
9 retary of Commerce and the Secretary of Labor may de-
10 termine a recipient of an incentive grant under the Pro-
11 gram to be ineligible to receive additional incentive grants
12 under the Program if the Secretary determines that the
13 recipient has failed to achieve compliance with—

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

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

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