THE MANUFACTURING MANDATE

Unleashing a Dynamic Innovation Economy
Why a Manufacturing Mandate?

How does American manufacturing move forward in the next decade? AMT believes cooperation and innovation are the keys. How do we achieve this vision? By developing a clear path that AMT calls the Manufacturing Mandate. AMT is calling for a federal policy of collaboration between government, industry and academia. The federal policy would incentivize innovation and R&D in new products and manufacturing technologies; assure the availability of capital; increase global competitiveness; minimize structural cost burdens; and enhance and build a better educated and trained “smartforce.”

A solid recovery has been slow to take hold, and that has been especially true in the manufacturing sector where credit remains tight and uncertainty over the future has prevented companies from retooling, diversifying, and investing in R&D. AMT believes its national manufacturing mandate is necessary to cement this recovery and create a strong foundation for sustained economic growth.

It is clear the credit and confidence obstacles are shifting attention away from where it should be: on innovation and creating the highly skilled, well-paid jobs that naturally follow. The United States currently lags behind our trading partners in new fields we should be dominating. That is because we operate in a business and regulatory environment that thwarts our progress. If we don’t redirect our government policy and resources to focus on innovation and R&D, there will be more missed opportunities for American technological leadership and our citizens will ultimately suffer.

It is possible for the government, industry, and our academic communities to work together, utilizing an infrastructure already in place, to revitalize our manufacturing sector and promote real economic growth. AMT is poised to work with the federal government to implement a national manufacturing strategy – a Manufacturing Mandate that will establish the United States as the worldwide leader in next-generation manufacturing technologies and the world-class products and services they provide.

Douglas K. Woods
President
AMT - The Association For Manufacturing Technology
AMT members, while small in number, are crucial to providing manufacturing technology equipment and solutions to all other industrial sectors of the economy.
Focus on Innovation in Manufacturing

- Innovation drives economic growth.

- Innovation is driven by productive efficiency and adaptive efficiency.

- Developing these efficiencies requires cooperation between government, business and academia.

- Stimulating smart public/private partnership is the best way to implement innovation in manufacturing.

- Innovation in manufacturing is the path to change and progress rather than stagnation.

For America to successfully compete in the global marketplace, we need a coherent national manufacturing strategy that emphasizes innovation.
The lack of a coherent, coordinated national policy that promotes innovation in manufacturing led to excessive offshoring.

All other leading economies are implementing strategies to attract manufacturing, especially high-tech manufacturing.
Since 2002, the United States has run a trade deficit in advanced technology products. If this trend continues, the United States will cease to be competitive in many manufacturing technology markets.
What is Required?

We believe that what is required to rebuild and revitalize America’s manufacturing sector is a national policy that supports and encourages innovation.

In short, a Manufacturing Mandate...
The U.S. government, recognizing the national importance of our manufacturing sector to a vital, sustainable economy and a strong defense industrial base, will implement policies that:

- Incentivize innovation and R&D in new products and manufacturing technologies
- Assure availability of capital
- Increase global competitiveness
- Minimize structural cost burdens
- Enhance collaboration between government, academia, and industry
- Build a better educated and trained work force
A consistent cohesive approach to managing the government’s manufacturing technology initiatives is lacking. We need a central manufacturing policy structure within the Executive Branch to develop policy, focus research, and coordinate implementation of the manufacturing mandate strategies.
Many resources are already in place, building a functional model will require coordination and cooperation.
UTILIZE EXISTING INFRASTRUCTURE

MEP Locations

Most Dense
Color gradients represent densities of manufacturing innovation clusters - manufacturing companies, universities, community colleges, vo-tech schools and manufacturing extension partnerships.

Least Dense
This map shows that manufacturing innovation clusters are already in place. These clusters are natural hot spots for advances in manufacturing technology to occur.
MANUFACTURING MANDATE

**Minimize structural cost burdens**
- Lower business taxes and avoid any new tax increases on U.S. manufacturers
- Avoid excessive regulations
- Encourage investment in retooling plants and new equipment

**Enhance collaboration between government, academia and industry**
- Coordinate Government support and utilization of the existing national network of Manufacturing Innovation Clusters
- Create a standing Interagency Manufacturing Structure made up of Cabinet officials, industry leaders, and academics
- Support and sponsor targeted technology challenges

**Build a better educated and trained workforce**
- Develop a national manufacturing skills certification program
- Support grants, scholarships and/or incentives for Science Technology Engineering and Mathematics ("STEM") degrees
- Utilize MEPs as centers of manufacturing excellence to train and support local manufacturers
**Incentivize innovation and R&D in new products and manufacturing technologies**

- Support reauthorization and full funding of the America COMPETES Act
- Improve the R&D tax credit and make it permanent
- Fund targeted, sustaining economic growth technologies

**Assure availability of capital**

- Revise SBA/government lending requirements to manufacturers qualifications should consider economic conditions
- Use the expanded DPA Title III lending authority to provide credit to defense-critical manufacturers
- Provide incentives to banks making and maintaining capital loans to qualified manufacturers

**Improve global competitiveness and promote exports**

- Modernize U.S. export control policy
- Strengthen intellectual property protection
- Streamline the business visa process with major trading partners
IMTS – International Manufacturing Technology Show

The largest and longest running manufacturing technology trade show in the United States is held every other year at McCormick Place in Chicago, Ill. IMTS 2010 will run September 13 – 18. IMTS is ranked among the largest trade shows in the world. Recognized as one of the world’s preeminent stages for introducing and selling manufacturing equipment and technology, IMTS attracts more than 92,000 visitors from every level of industry and more than 116 countries. IMTS is owned and managed by AMT – The Association For Manufacturing Technology.

MTConnect

MTConnect is an open standard intended to foster better communication and interoperability between manufacturing controls, devices and software applications to provide better data on machine utilization and productivity. It is the first such standard for manufacturing, and it is steadily gaining users throughout the industry.

This standard was funded and developed by AMT, and made its debut at IMTS 2008.