

NATIONAL MANUFACTURING STRATEGY ACT OF 2010

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 JULY 28, 2010.—Committed to the Committee of the Whole House on the State of  
 the Union and ordered to be printed  
 —————

Mr. WAXMAN, from the Committee on Energy and Commerce,  
 submitted the following

R E P O R T

[To accompany H.R. 4692]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 4692) to require the President to prepare a quadrennial National Manufacturing Strategy, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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## AMENDMENT

The amendment is as follows:  
Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “National Manufacturing Strategy Act of 2010”.

**SEC. 2. SENSE OF CONGRESS.**

It is the sense of Congress that—

- (1) the United States Government should promote policies related to the Nation’s manufacturing sector that are intended to promote growth, sustainability, and competitiveness; create well-paying, decent jobs; enable innovation and investment; and support national security; and
- (2) the President and Congress should act promptly to pursue policies consistent with a National Manufacturing Strategy.

**SEC. 3. NATIONAL MANUFACTURING STRATEGY.**

(a) **STRATEGY REQUIRED.**—Not later than the first day of July of the second year of each Presidential term, the President shall submit to Congress, and publish on a public website, a National Manufacturing Strategy.

(b) **DEADLINE FOR FIRST NATIONAL MANUFACTURING STRATEGY.**—Notwithstanding subsection (a), the President shall issue the first National Manufacturing Strategy not later than the date that is one year after the date of the enactment of this Act.

**SEC. 4. PRESIDENT’S MANUFACTURING STRATEGY BOARD.**

(a) **IN GENERAL.**—The President shall establish, within the Department of Commerce, the President’s Manufacturing Strategy Board.

(b) **PUBLIC SECTOR MEMBERS.**—The President’s Manufacturing Strategy Board shall include the following individuals:

- (1) The Secretary or head (or the designee of the Secretary or head) of each of the following organizations:
  - (A) The Department of the Treasury.
  - (B) The Department of Defense.
  - (C) The Department of Commerce.
  - (D) The Department of Labor.
  - (E) The Department of Energy.
  - (F) The Office of the United States Trade Representative.
  - (G) The Office of Management and Budget.
  - (H) The Office of Science and Technology Policy.
  - (I) The Small Business Administration.
  - (J) Other Federal agencies the President determines appropriate.
- (2) The Governors of two States, from different political parties, appointed by the President in consultation with the National Governors Association.

(c) **PRIVATE SECTOR MEMBERS.**—

(1) **IN GENERAL.**—The President’s Manufacturing Strategy Board shall further include 9 individuals from the private sector, appointed by the President after consultation with industry and labor organizations, including individuals with experience in the areas of—

- (A) managing manufacturing companies;
- (B) managing supply chain providers;
- (C) managing labor organizations;
- (D) workforce development;
- (E) conducting manufacturing-related research and development; and
- (F) the defense industrial base.

(2) **BALANCE IN REPRESENTATION.**—In making appointments of private sector members to the President’s Manufacturing Strategy Board under paragraph (1), the President shall seek to ensure that the individuals appointed represent a balance among and within regions, sizes of firms, and industries of the manufacturing sector.

(3) **TERMS.**—

(A) **IN GENERAL.**—Each member appointed under this subsection shall be appointed for a term of 6 years, except as provided in subparagraphs (B) and (C).

(B) **TERMS OF INITIAL APPOINTEES.**—As designated by the President at the time of appointment, of the members first appointed—

- (i) 3 shall be appointed for a term of 2 years;
- (ii) 3 shall be appointed for a term of 4 years; and
- (iii) 3 shall be appointed for a term of 6 years.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a new member has been appointed.

(d) CHAIR AND VICE CHAIR.—

(1) CHAIR.—The Secretary of Commerce (or the designee of the Secretary) shall serve as the Chair of the President's Manufacturing Strategy Board.

(2) VICE CHAIR.—The President shall appoint the Vice Chair of the President's Manufacturing Strategy Board from among the private sector members appointed by the President under subsection (c).

(e) SUBGROUPS.—The President's Manufacturing Strategy Board may convene subgroups to address particular industries, policy topics, or other matters. Such subgroups may include members representing any of the following:

(1) Such other Federal agencies as the Chair determines appropriate.

(2) State, local, tribal, and Territorial governments.

(3) The private sector, including labor, industry, academia, trade associations, and other appropriate groups.

(f) MEETINGS.—

(1) TIMING OF MEETINGS.—The President's Manufacturing Strategy Board shall meet at the call of the Chair.

(2) FREQUENCY OF MEETINGS.—The President's Manufacturing Strategy Board shall meet not less than 2 times each year, and not less than 4 times in a year preceding the issuance of a National Manufacturing Strategy required under section 3(a).

(3) PUBLIC MEETINGS REQUIRED.—The President's Manufacturing Strategy Board shall convene public meetings to solicit views on the Nation's manufacturing sector and recommendations for the National Manufacturing Strategy.

(4) LOCATIONS OF PUBLIC MEETINGS.—The locations of public meetings convened under paragraph (3) shall ensure the inclusion of multiple regions and industries of the manufacturing sector.

(g) APPLICATION OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.), other than section 14 of such Act, shall apply to the President's Manufacturing Strategy Board, including any subgroups established pursuant subsection (e).

**SEC. 5. DUTIES OF THE PRESIDENT'S MANUFACTURING STRATEGY BOARD.**

(a) IN GENERAL.—The President's Manufacturing Strategy Board shall—

(1) advise the President and Congress on issues affecting the Nation's manufacturing sector;

(2) conduct a comprehensive analysis in accordance with subsection (b);

(3) develop a National Manufacturing Strategy in accordance with subsection (c);

(4) submit to the President and Congress an annual report under subsection (d); and

(5) carry out other activities determined appropriate by the President.

(b) COMPREHENSIVE ANALYSIS.—In developing each National Manufacturing Strategy under subsection (c), the President's Manufacturing Strategy Board shall conduct a comprehensive analysis of the Nation's manufacturing sector that addresses—

(1) the value and role, both historic and current, of manufacturing in the Nation's economy, security, and global leadership;

(2) the current domestic and international environment for the Nation's manufacturing sector, and any relevant subset thereof;

(3) Federal, State, local, and Territorial policies, programs, and conditions that affect manufacturing;

(4) a comparison of the manufacturing policies and strategies of the United States relative to other nations' policies and strategies;

(5) the identification of emerging or evolving markets, technologies, and products for which the Nation's manufacturers could compete;

(6) the short- and long-term forecasts for the Nation's manufacturing sector, and forecasts of expected national and international trends and factors likely to affect such sector in the future; and

(7) any other matters affecting the competitiveness, growth, stability, and sustainability of the Nation's manufacturing sector, including—

(A) levels of domestic production;

(B) productivity;

(C) the trade balance;

(D) financing and investment;

- (E) research and development;
  - (F) job creation and employment disparities;
  - (G) workforce skills and development; and
  - (H) adequacy of the industrial base for maintaining national security.
- (c) NATIONAL MANUFACTURING STRATEGY.—
- (1) DEVELOPMENT.—The President’s Manufacturing Strategy Board shall develop a National Manufacturing Strategy, based on—
    - (A) the results of the comprehensive analysis conducted under subsection (b);
    - (B) the studies carried out by the National Academy of Sciences pursuant to section 7; and
    - (C) any other information, studies, or perspectives that the President’s Manufacturing Strategy Board determines to be appropriate.
  - (2) GOALS AND RECOMMENDATIONS.—
    - (A) GOALS.—The President’s Manufacturing Strategy Board shall include in each National Manufacturing Strategy short- and long-term goals for the Nation’s manufacturing sector, taking into account the matters addressed in the comprehensive analysis conducted under subsection (b).
    - (B) RECOMMENDATIONS.—The President’s Manufacturing Strategy Board shall include in each National Manufacturing Strategy recommendations for achieving the goals provided under subparagraph (A). Such recommendations may propose—
      - (i) actions to be taken by the President, Congress, State, local, and Territorial governments, the private sector, universities, industry associations, and other stakeholders; and
      - (ii) ways to improve Government policies, coordination among entities developing such policies, and Government interaction with the manufacturing sector.
  - (3) REPORT.—
    - (A) DRAFT.—Not later than 90 days before the date on which the President is required to submit to Congress a report containing a National Manufacturing Strategy under section 3, the President’s Manufacturing Strategy Board shall publish in the Federal Register and on a public website a draft report containing a National Manufacturing Strategy.
    - (B) PUBLIC COMMENT; REVIEW AND REVISION.—A draft report published under subparagraph (A) shall remain available for public comment for a period of 30 days from the date of publication. The President’s Manufacturing Strategy Board shall review any comments received regarding such draft report and may revise the draft report based upon those comments.
    - (C) PUBLICATION.—Not later than 30 days before the date on which the President is required to submit to Congress a report containing a National Manufacturing Strategy under section 3, the President’s Manufacturing Strategy Board shall submit to the President for review and revision a final report containing a National Manufacturing Strategy, and shall publish such final report on a public website.
    - (D) ESTIMATES.—The final report submitted under subparagraph (C) shall include—
      - (i) when feasible, an estimate of the short- and long-term Federal Government outlays and revenue changes necessary to implement the National Manufacturing Strategy and an estimate of savings that may be derived from implementation of the National Manufacturing Strategy;
      - (ii) a detailed explanation of the methods and analysis used to determine the estimates included under clause (i); and
      - (iii) detailed recommendations regarding how to pay for the cost of implementation estimated under clause (i), when feasible.
  - (d) ANNUAL REPORT.—Not later than the date that is one year after the date on which the first National Manufacturing Strategy is published under section 3, and annually thereafter, the President’s Manufacturing Strategy Board shall submit to the President and Congress a report that includes—
    - (1) views on the current state of manufacturing in the United States;
    - (2) an assessment of the implementation of previously issued National Manufacturing Strategies;
    - (3) recommendations for furthering the implementation of previously issued National Manufacturing Strategies; and
    - (4) any suggested revisions to the estimate required under section 5(c)(3)(D)(i) to implement the recommendations included under paragraph (3).
  - (e) CONSULTATION.—In order to gain perspectives and avoid duplication of efforts, the President’s Manufacturing Strategy Board shall consult on manufacturing

issues with the Defense Science Board, the President's Council of Advisors on Science and Technology, the Manufacturing Council established by the Department of Commerce, and the Labor Advisory Committee for Trade Negotiations and Trade Policy, and may consult with other relevant governmental entities or the private sector.

**SEC. 6. GOVERNMENT ACCOUNTABILITY OFFICE REVIEW OF NATIONAL MANUFACTURING STRATEGY.**

Not later than the first day of April in calendar years 2013, 2017, and 2021, the Comptroller General shall submit to Congress a report regarding the National Manufacturing Strategy published under section 3. The report shall include—

- (1) an assessment of whether the recommendations from such National Manufacturing Strategy, and any preceding National Manufacturing Strategies, were implemented;
- (2) an analysis of the impact of such recommendations, to the extent data are available;
- (3) a review of the process involved in developing such National Manufacturing Strategy and any preceding National Manufacturing Strategies; and
- (4) recommendations for improvements in developing the next National Manufacturing Strategy.

**SEC. 7. STUDIES.**

(a) **QUADRENNIAL STUDY.**—

(1) **IN GENERAL.**—In developing each National Manufacturing Strategy, the President, acting through the Secretary of Commerce, shall enter into an agreement with the National Academy of Sciences to conduct a study in accordance with this subsection.

(2) **ELEMENTS.**—The study shall examine the following:

- (A) The current state of manufacturing in the United States.
- (B) Federal programs and activities related to manufacturing systems.
- (C) The ways in which Federal policies affect manufacturing, and likely future trends in manufacturing if such policies remain unchanged.
- (D) Various possible approaches for evaluating the implementation of the National Manufacturing Strategy.
- (E) An assessment of the trends and short- and long-term forecasts of manufacturing.

(F) A review of the trends and short- and long-term forecasts of manufacturing relied upon in previous National Manufacturing Strategies as compared with actual events and trends.

(3) **REPORT.**—The agreement entered into under paragraph (1) shall provide that not later than the first day of April of the first year of each Presidential term, the National Academy of Sciences shall submit to Congress and the President a report containing the findings of the study.

(4) **DEADLINE FOR FIRST REPORT.**—Notwithstanding paragraph (3), the first agreement entered into under this subsection shall provide that the National Academy of Sciences shall submit to Congress and the President a report containing the findings of the study not later than 2 years after the date such agreement is entered into.

(5) **DEADLINE FOR SUBSEQUENT AGREEMENTS.**—After the first agreement entered into under this subsection, all subsequent agreements under this subsection shall be entered into not later than 18 months before the deadline for submission of the corresponding report under paragraph (3).

(b) **DISCRETIONARY STUDIES.**—The President, acting through the Secretary of Commerce, may enter into further agreements with the National Academy of Sciences as necessary to develop studies to provide information for future National Manufacturing Strategies.

**SEC. 8. REQUIREMENT TO CONSIDER NATIONAL MANUFACTURING STRATEGY IN BUDGET.**

In preparing the budget for a fiscal year under section 1105(a) of title 31, United States Code, the President shall include information regarding the consistency of the budget with the goals and recommendations included in National Manufacturing Strategy covering that fiscal year.

**PURPOSE AND SUMMARY**

H.R. 4692, the “National Manufacturing Strategy Act of 2010”, introduced by Rep. Daniel Lipinski (D-IL), requires the development of a quadrennial National Manufacturing Strategy and accompanying analysis and studies. This Strategy will provide a

means of setting national policy direction to support domestic economic growth in manufacturing.

#### BACKGROUND AND NEED FOR LEGISLATION

Manufacturing is an important part of the United States economy. At the end of 2009, the United States manufacturing sector employed more than 11.5 million people.<sup>1</sup> As a percentage of the nation's gross domestic product (GDP), manufacturing accounted for 11% in 2009.<sup>2</sup> The manufacturing sector consistently produces a majority of exports from the United States.<sup>3</sup>

United States manufacturing, however, is not what it once was. In December 1999, manufacturing employed 17.3 million people compared to 11.5 million in December 2009<sup>4</sup>—a loss of 5.8 million employees in the sector over the past 10 years. In 1999, manufacturing constituted 14.6% of the nation's GDP, 3.6% more than what it constituted in 2009.<sup>5</sup> Furthermore, although manufactured goods exports have generally grown in recent years, United States exporters have lost market share to even more rapidly growing exporters in China, Southeast Asia, and India.<sup>6</sup>

The state of our manufacturing sector has an impact not only on the nation's economy, but also on its security. According to the National Defense Industrial Association, “with each lost manufacturing job, our defense manufacturing capability declines. Today, the U.S. depends on other nations, who are not necessarily our friends, for strategic materials and technology.”<sup>7</sup>

Because manufacturing cuts across a range of governmental interests and agencies, a strategic consideration among and across agencies and an effort to unify their efforts would improve federal government policy and support.<sup>8</sup> Although there are several federal working groups and a variety of programs to support United States manufacturing, the country does not have a regularly-updated, national strategy to coordinate policy and public investment in this sector.

There have been some important steps towards developing a national strategy, such as the President's “Framework for Revital-

<sup>1</sup> Bureau of Labor Statistics, *Employment, Hours, and Earnings from the Current Employment Statistics Survey (National)* (online at [www.bls.gov/iag/tgs/iag31-33.htm](http://www.bls.gov/iag/tgs/iag31-33.htm) under “back data” for “employment, all employees”) (accessed July 9, 2010).

<sup>2</sup> Bureau of Economic Analysis, *Gross-Domestic-Product-by-Industry Accounts, Value Added by Industry as a Percentage of Gross Domestic Product* (online at [www.bea.gov/industry/gpotables/gpo\\_action.cfm](http://www.bea.gov/industry/gpotables/gpo_action.cfm)) (accessed July 9, 2010).

<sup>3</sup> See, e.g., U.S. Census Bureau, *U.S. International Trade in Goods and Services (FT 900)* (Apr. 2010) (online at [www.census.gov/ft900](http://www.census.gov/ft900)).

<sup>4</sup> Bureau of Labor Statistics, *Employment, Hours, and Earnings from the Current Employment Statistics Survey (National)* (online at [www.bls.gov/iag/tgs/iag31-33.htm](http://www.bls.gov/iag/tgs/iag31-33.htm) under “back data” for “employment, all employees”) (accessed July 9, 2010).

<sup>5</sup> Bureau of Economic Analysis, *Gross-Domestic-Product-by-Industry Accounts, Value Added by Industry as a Percentage of Gross Domestic Product* (online at [www.bea.gov/industry/gpotables/gpo\\_action.cfm](http://www.bea.gov/industry/gpotables/gpo_action.cfm)) (accessed July 9, 2010).

<sup>6</sup> Manufacturing Institute, *The Facts About Modern Manufacturing* (2009).

<sup>7</sup> National Defense Industrial Association, Manufacturing Division, *Maintaining a Viable Defense Industrial Base* (Aug. 1, 2008).

<sup>8</sup> See, e.g., House Committee on Energy and Commerce, Subcommittee on Commerce, Trade, and Consumer Protection, Testimony of Scott N. Paul, Executive Director, Alliance for American Manufacturing (stating that “it makes perfect sense to harness the best minds, as well as to coordinate among the appropriate agencies, to focus on a government-wide strategy to advance manufacturing in both employment and output terms”), Testimony of Mark A. Gordon, Executive Committee Member of the Manufacturing Division, National Defense Industrial Association (stating, “There are many groups from government, industry, and academia which are chartered to further the domestic manufacturing agenda, but they are not strategic, senior, or sufficient enough to deliver the goal of H.R. 4692”), *Hearing on H.R. 4692, the National Manufacturing Strategy Act of 2010*, 111th Cong. (July 14, 2010).

izing American Manufacturing,”<sup>9</sup> issued in December 2009, and the Commerce Department’s 2004 report on “Manufacturing in America.”<sup>10</sup> However, more needs to be done. Other nations, including the United Kingdom, Japan, China, and Germany, develop and maintain manufacturing strategies as a means of setting national policy direction to support domestic economic growth in manufacturing.<sup>11</sup>

#### LEGISLATIVE HISTORY

H.R. 4692, the “National Manufacturing Strategy Act of 2010,” was introduced on February 25, 2010, by Rep. Daniel Lipinski (D–IL), and currently has nearly 60 cosponsors. The bill was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Budget. The Subcommittee on Commerce, Trade, and Consumer Protection held a legislative hearing on H.R. 4692 on July 14, 2010. The Subcommittee was discharged from further consideration when the bill was called up at full Committee markup.

#### COMMITTEE CONSIDERATION

On July 21, 2010, the Committee on Energy and Commerce met in open markup session to consider H.R. 4692 as introduced. The Committee adopted a bipartisan amendment in the nature of a substitute offered by Mr. Waxman by a voice vote. The amendment made a number of changes to consolidate and streamline provisions in H.R. 4692, as well as to improve its flow and structure. The Committee subsequently ordered H.R. 4692 favorably reported to the House, amended, by a voice vote.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list each record vote on the motion to report legislation and amendments thereto. A motion by Mr. Waxman ordering H.R. 4692 reported to the House, amended, was approved by a voice vote. There were no record votes taken during consideration of this bill.

#### COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report.

<sup>9</sup>Executive Office of the President, *A Framework for Revitalizing American Manufacturing* (Dec. 2009).

<sup>10</sup>Department of Commerce, *Manufacturing in America* (Jan. 2004).

<sup>11</sup>See, e.g., United Kingdom Department for Business, Enterprise & Regulatory Reform, Department for Innovation, Universities & Skills, *Manufacturing: New Challenges, New Opportunities* (Sept. 2008) (online at [www.berr.gov.uk/files/file47660.pdf](http://www.berr.gov.uk/files/file47660.pdf)) (accessed on July 9, 2010); International Trade Administration, Jane Corwin and Rebecca Puckett, *Japan’s Manufacturing Competitiveness Strategy: Challenges for Japan, Opportunities for the United States* (April 2009) (online at [www.ita.doc.gov/td/tradepolicy/Japan%20Mfg%20Study.pdf](http://www.ita.doc.gov/td/tradepolicy/Japan%20Mfg%20Study.pdf)); House Committee on Energy and Commerce, Subcommittee on Commerce, Trade, and Consumer Protection, Testimony of Owen E. Herrnstadt, Director of Trade and Globalization, International Association of Machinists and Aerospace Workers (referencing manufacturing policies in China and Germany), *Hearing on H.R. 4692, the National Manufacturing Strategy Act of 2010*, 111th Cong. (July 14, 2010).

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX  
EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 4692 will result in no new budget authority, entitlement authority, or tax expenditures or revenues.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the constitutional authority for H.R. 4692 is provided in Article I, section 8, clauses 3 and 18 of the Constitution of the United States.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 4692 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives.

FEDERAL ADVISORY COMMITTEE STATEMENT

Section 4 of the bill establishes an advisory committee within the definition of 5 U.S.C. App., section 5(b). The Committee finds this advisory committee is needed to ensure the development of a national manufacturing strategy based on a deep and broad analysis of the manufacturing sector, and to otherwise advise the President and Congress on national manufacturing issues.

APPLICABILITY OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104-1 requires a description of the application of this bill to the legislative branch where the bill relates to terms and conditions of employment or access to public services and accommodations. This bill does not relate to employment or access to public services and accommodations.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act of 1974 (as amended by section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104-4) requires a statement on whether the provisions of the bill include unfunded mandates. In compliance with this requirement the Committee will rely on the analysis prepared by the Director of the Congressional Budget Office, which at the time of the filing of this report had not been completed.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate of H.R. 4692 being prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional



Budget Act of 1974. At the time of the filing of this report, this estimate had not yet been completed.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has not yet received a cost estimate for H.R. 4692 from the Director of Congressional Budget Office.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

Section 1 designates the short title of the Act as the “National Manufacturing Strategy Act of 2010”.

##### *Section 2. Sense of Congress*

Section 2 indicates the sense of Congress that the government should promote policies related to the nation’s manufacturing sector that are intended to promote growth, sustainability, and competitiveness; create well-paying, decent jobs; enable innovation and investment; and support national security. The sense of Congress also indicates that the President and Congress should act promptly to pursue policies consistent with a National Manufacturing Strategy. Although this Congress cannot require action by future Congresses, it is the Committee’s intent that, given the importance of the manufacturing sector to our economy, any recommendations would be promptly acted upon.

##### *Section 3. National Manufacturing Strategy*

Section 3 requires the President to submit to Congress, and publish on a public website, a National Manufacturing Strategy. The first such strategy will be due within one year of enactment. Subsequent strategies are due on July 1 of the second year of each presidential term.

##### *Section 4. President’s Manufacturing Strategy Board*

Section 4 establishes a President’s Manufacturing Strategy Board, made up of federal officials, two governors from different political parties, and nine individuals from the private sector. The federal officials must include the Secretary or head (or such individual’s designee) of: the Departments of Treasury, Defense, Commerce, Labor, and Energy, the Office of the United States Trade Representative, the Office of Management and Budget, the Office of Science and Technology, the Small Business Administration, and other federal agencies the President determines appropriate.

The private sector members will be appointed by the President after consultation with industry and labor organizations. They must include a variety of individuals with experience in the areas of managing manufacturing companies, managing supply chain providers, managing labor organizations, workforce development, conducting manufacturing-related research and development, and the defense industrial base. These requirements will ensure representatives from both labor and industry on the Board. In making appointments of these members, the President must seek to ensure

that the individuals appointed represent a balance among and within regions, sizes of firms, and industries of the manufacturing sector. The private sector members will be appointed for six-year terms. With respect to the members first appointed, and as designated by the President at the time of appointment, three must be appointed for a term of two years, three must be appointed for a term of four years, and three must be appointed for a term of six years. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed must be appointed only for the remainder of that term. The section also provides that a member may serve after the expiration of that member's term until a new member has been appointed. The Chair of the Board will be the Secretary of Commerce (or the Secretary's designee), and the Vice Chair will be appointed by the President from among the private sector members.

The Board may convene subgroups to address particular industries, policy topics, or other matters. Under this section, the subgroups may include members representing such other federal agencies as the Chair determines appropriate; state, local, tribal, and territorial governments; and the private sector, including labor, industry, academia, trade associations, and other appropriate groups.

This section requires the Board to meet at the call of the Chair, at least two times each year, and at least four times in the year preceding the issuance of a National Manufacturing Strategy. The Board must convene public meetings to solicit views on the nation's manufacturing sector and recommendations for the strategy. The locations of such public meetings must ensure the inclusion of multiple regions and industries of the manufacturing sector.

Section 4 mandates that the Federal Advisory Committee Act, aside from section 14 of that Act, applies to the Board and any subgroups established by it.

The membership of the Board, as well as its ability to bring in additional interested parties on subgroups and the requirement that it hold public meetings, is intended to ensure that there is ample communication between all parties interested in the nation's manufacturing sector. This communication, along with the benefits of a strategy based on a deep and broad analysis of the manufacturing sector, will ensure that the strategy's recommendations keep our country's manufacturing sector robust and competitive.

#### *Section 5. Duties of the President's Manufacturing Strategy Board*

Section 5 requires the President's Manufacturing Strategy Board to advise the President and Congress on issues affecting the nation's manufacturing sector, conduct a comprehensive analysis of such sector, develop a National Manufacturing Strategy, submit an annual report to the President and Congress, and carry out other activities determined appropriate by the President.

This section also provides a non-exclusive list of matters that must be considered during the Board's comprehensive analysis of the nation's manufacturing sector. Such an analysis must address: the value and role, both historic and current, of manufacturing in the nation's economy, security, and global leadership; the current domestic and international environment for the nation's manufacturing sector, and any relevant subset thereof; federal, state, local, and territorial policies, programs, and conditions that affect manu-

facturing; a comparison of the manufacturing policies and strategies of the United States relative to other nations' policies and strategies; the identification of emerging or evolving markets, technologies, and products for which the nation's manufacturers could compete; and the short- and long-term forecasts for the nation's manufacturing sector, and forecasts of expected national and international trends and factors likely to affect it in the future. The analysis must also address any other matters affecting the competitiveness, growth, stability, and sustainability of the nation's manufacturing sector, including levels of domestic production, productivity, the trade balance, financing and investment, research and development, job creation and employment disparities, workforce skills and development, and adequacy of the industrial base for maintaining national security.

The Board must base its National Manufacturing Strategy on the results of that comprehensive analysis, studies by the National Academy of Sciences, and any other information, studies or perspectives that the Board determines appropriate. The strategy must contain short- and long-term goals for the nation's manufacturing sector, taking into account the matters addressed in the comprehensive analysis. It must also include in its strategy recommendations for achieving such goals. The recommendations may propose actions to be taken by the President, Congress, state, local, and territorial governments, the private sector, universities, industry associations, and other stakeholders. The recommendations may also propose ways to improve government policies, coordination among entities developing such policies, and government interaction with the private sector.

No more than 90 days before the President must submit a strategy to Congress, section 5 requires the Board to publish in the *Federal Register* and on a public website a draft report containing a strategy. The draft report must be available for public comment for 30 days, and the Board must review any comments received and may revise its draft report based upon those comments. No more than 30 days before the President must submit a strategy to Congress, the Board must submit to the President for review and revision a final report containing a National Manufacturing Strategy. That final report must also be published on a public website. It must contain, when feasible, an estimate of the short- and long-term federal government outlays and revenue changes necessary to implement the strategy and an estimate of savings that may be derived from implementation of the strategy. The final report must also contain a detailed explanation of the methods and analysis used to determine such estimates. It must also contain recommendations regarding how to pay for the cost of implementation derived from the estimates of outlays, revenue changes, and savings described above.

Section 5 also requires an annual report to the President and Congress by the Board regarding the state of manufacturing and the implementation of National Manufacturing Strategies. The report must include views on the current state of manufacturing in the United States, an assessment of the implementation of previously issued National Manufacturing Strategies, recommendations for furthering the implementation of previously issued strategies, and any suggested revisions to estimates. This annual report

and the quadrennial strategy will ensure that Congress, the President, other government stakeholders, and the public maintain a focus on manufacturing issues and take action as necessary to adjust for changes in the relevant circumstances.

In order to gain perspectives and avoid duplication of efforts, the Board is required to consult on manufacturing issues with certain advisory groups already deeply involved in manufacturing issues, and is allowed to consult with other relevant governmental entities or the private sector. The advisory groups with which the Board must consult are: the Defense Science Board, the President's Council of Advisors on Science and Technology, the Manufacturing Council, and the Labor Advisory Committee for Trade Negotiations and Trade Policy.

#### *Section 6. Government Accountability Office review of National Manufacturing Strategy*

This section requires the Comptroller General to submit three reports to Congress regarding the National Manufacturing Strategy. The reports are due every four years no later than the first day of April, beginning in 2013. The reports must include an assessment of whether recommendations from each National Manufacturing Strategy and any preceding strategies were implemented, an analysis of the impact of such recommendations (to the extent data are available), a review of the process involved in developing each strategy and any preceding strategies, and recommendations for improvements in development of the next strategy.

#### *Section 7. Studies*

Section 7 states that the President, acting through the Secretary of Commerce, must regularly enter into an agreement with the National Academy of Sciences (NAS) to conduct a study, in order to inform the development of the National Manufacturing Strategy. The study must examine the current state of manufacturing in the United States; federal programs and activities related to manufacturing systems; the ways in which federal policies affect manufacturing, and likely future trends in manufacturing if such policies do not change; various possible approaches for evaluating the implementation of the strategy; an assessment of the trends and short- and long-term forecasts of manufacturing; and a review of the trends and short- and long-term forecasts of manufacturing relied upon in previous National Manufacturing Strategies as compared with actual events and trends. The agreement for the study must provide that the NAS submit a report containing the findings of the study to Congress and the President no later than the first day of April of the first year of each presidential term, and must be entered into no later than 18 months before the deadline for submission. However, the first agreement entered into following enactment must provide that the NAS submit its report to Congress and the President no later than two years after the date the agreement is entered into. Additional studies may also be requested of the NAS as necessary to develop studies to provide information for future National Manufacturing Strategies. The Committee expects that the President would promptly transmit to the Board any reports produced pursuant to this section.

*Section 8. Requirement to consider National Manufacturing Strategy in budget*

This section requires that the President, in preparing the budget for a fiscal year, include information regarding the consistency of the budget with the goals and recommendations included in the National Manufacturing Strategy covering that fiscal year.

EXPLANATION OF AMENDMENT

Mr. Waxman offered a manager's amendment in the form of an amendment in the nature of a substitute, which was agreed to by a voice vote, to consolidate and streamline provisions in the bill, as well as to clarify responsibilities for analysis and development of the National Manufacturing Strategy.

The manager's amendment combined two entities that would have been created by the original bill—a Manufacturing Strategy Task Force made up of federal officials and governors and the President's Manufacturing Strategy Board consisting of private sector members. The amendment consolidated them into one advisory committee, referred to as the President's Manufacturing Strategy Board, and reduced the total number of members.

The amendment gave the now-consolidated President's Manufacturing Strategy Board the responsibility for conducting the comprehensive analysis of the manufacturing sector and developing the initial draft of the strategy. It also changed the frequency of required meetings.

The factors that the original bill set out for the comprehensive analysis were also pared down and combined with the original bill's language regarding goals—not because the original list of factors was not important, but rather to provide more streamlined language and address concerns over excessive specificity. Nothing prevents the Board from considering some or all of the issues listed in H.R. 4692 as introduced in the House, as well as any relevant issues not listed, should the Board so choose. The amendment also included language relating to Board consultation with other entities to avoid duplication of efforts. The amendment added a provision requiring the Board to develop, when feasible, estimates regarding outlays and revenue changes, as well as potential savings.

In addition, the GAO review of the strategy was limited to three cycles, rather than continuing in perpetuity. One of the topics for the GAO report, regarding trends and short- and long-term forecasts, was moved to the National Academy of Sciences study section. That section was also streamlined, eliminating the one-time studies required under the original bill while supplementing the topics for the quadrennial study.

The amendment also added a provision to encourage quick action and changed and clarified some deadlines.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 4692, as reported by the Committee, did not change any existing law.