AMENDMENT NO._______    Calendar No._______

Purpose: In the nature of a substitute.


S. 1427

To amend the National Institute of Standards and Technology Act to improve the Network for Manufacturing Innovation Program, and for other purposes.

Referred to the Committee on _________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. GARDNER

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Global Leadership in
5 Advanced Manufacturing Act of 2019”.

6 SEC. 2. IMPROVEMENTS TO NETWORK FOR MANUFAC-
7 TURING INNOVATION PROGRAM.
8 (a) ALTERNATE PROGRAM NAME.—Subsection (a) of
9 section 34 of the National Institute of Standards and
10 Technology Act (15 U.S.C. 278s) is amended by inserting
2

1 "or as 'Manufacturing USA'" after "as the 'Network for
2 Manufacturing Innovation Program'".
3 (b) CENTERS FOR MANUFACTURING INNOVATION.—
4 Subsection (c) of such section is amended—
5 (1) in subparagraphs (B) and (C)(i) of para-
6 graph (1), by striking "and tool development for
7 microelectronics" both places it appears and insert-
8 ing "tool development for microelectronics, food
9 manufacturing, superconductors, advanced battery
10 technologies, robotics, advanced sensors, quantum
11 information science, supply chain water optimiza-
12 tion, aeronautics and advanced materials, and
13 graphene and graphene commercialization";
14 (2) in paragraph (2)(D), by striking "and mi-
15 nority" and inserting ", minority, and veteran"; and
16 (3) in paragraph (3)(A), by striking ", but
17 such" and all that follows through "under subsection
18 (d)".
19 (c) FINANCIAL ASSISTANCE TO ESTABLISH AND
20 SUPPORT CENTERS FOR MANUFACTURING INNO-
21 VATION.—Subsection (d) of such section is amended—
22 (1) in paragraph (1) is amended to read as fol-
23 lows:
“(1) IN GENERAL.—In carrying out the Program, the Secretary shall award financial assistance to the following:

“(A) To a person or group of persons to assist the person or group of persons in planning, establishing, or supporting a center for manufacturing innovation.

“(B) To a center for manufacturing innovation, including a center that was not established using Federal funds, to support workforce development, cross-center projects, and other efforts which support the purposes of the Program.”;

(2) in paragraphs (2), (3), and (4), by striking “under paragraph (1)” each place it appears and inserting “under paragraph (1)(A)”;

(3) in paragraph (4)—

(A) in subparagraph (C)—

(i) in clause (i), by striking “; and” and inserting a semicolon;

(ii) in clause (ii)—

(I) by inserting “, including appropriate measures for assessing the effectiveness of the activities funded with regards to the center’s success in
advancing the current state of the applicable advanced manufacturing technology area such as technology readiness level and manufacturing readiness level," after "measures"; and

(II) by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

"(iii) establish standards for the performance of centers for manufacturing innovation that are based on the measures developed under clause (ii); and

(iv) for each center for manufacturing innovation supported by the award, 5 years after the initial award and every 5 years thereafter until Federal funding is discontinued, conduct an assessment of the center to confirm whether the performance of the center is meeting the standards for performance established under clause (iii).";

(B) in subparagraph (D), by inserting ", including, as appropriate, the Department of Agriculture, the Department of Defense, the
Department of Education, the Department of Energy, the Department of Labor, the Food and Drug Administration, the National Aeronautics and Space Administration, the National Institutes of Health, and the National Science Foundation” after “manufacturing”; and

(C) in subparagraph (E)—

(i) in clause (ii), by striking “without the need for long-term Federal funding”; 

(ii) in clause (iii), by striking “significantly”;

(iii) in clause (v), by inserting “and to improve the domestic supply chain” after “technologies”; and

(iv) in clause (ix), by inserting “industrial, research, entrepreneurship, and other” after “leverage the”;

(4) in paragraph (5)—

(A) by striking subparagraph (A) and inserting the following:

“(A) PERFORMANCE DEFICIENCY.—

“(i) NOTICE OF DEFICIENCY.—If the Secretary finds that a center for manufacturing innovation does not meet the standards for performance established under
clause (iii) of paragraph (4)(C) during an assessment pursuant to clause (iv) of such paragraph, the Secretary shall notify the center of any deficiencies in the performance of the center and provide the center one year to remedy such deficiencies.

“(ii) FAILURE TO REMEDY.—If a center for manufacturing innovation fails to remedy a deficiency identified under clause (i) or to show significant improvement in performance one year after notification of a performance deficiency identified under clause (i), the Secretary shall notify the center that the center is ineligible for further financial assistance awarded under paragraph (1).”;

(B) in subparagraph (B), in the first sentence, by striking “large capital facilities or equipment purchases” and inserting “satellite centers, large capital facilities, equipment purchases, workforce development, or general operations”; and

(C) by striking subparagraph (C); and

(5) by adding at the end the following:
“(6) USE OF FINANCIAL ASSISTANCE.—Financial assistance awarded under paragraph (1)(B) may be used to carry out Program-wide activities directed by the Secretary, such as activities targeting workforce development.”.

(d) FUNDING.—Subsection (e)(2) of such section is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) NIST INDUSTRIAL TECHNICAL SERVICES ACCOUNT.—To the extent provided for in advance by appropriations Acts, the Secretary may use amounts appropriated to the Institute for Industrial Technical Services account to carry out this section as follows:

“(i) For each of the fiscal years 2015 through 2019, an amount not to exceed $5,000,000.

“(ii) For each of fiscal years 2020 through 2030, such amounts as may be necessary to carry out this section.”; and

(2) in subparagraph (B), by striking “through 2024” and inserting “through 2019”.

(e) NATIONAL PROGRAM OFFICE.—Subsection (f) of such section is amended—
(1) in paragraph (2)—

(A) in subparagraph (B)—

(i) by inserting "coordinate with and, as appropriate," before "enter"; and

(ii) by inserting "including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Energy, the Department of Labor, the Food and Drug Administration, the National Aeronautics and Space Administration, the National Institutes of Health, and the National Science Foundation," after "manufacturing,;"

(B) in subparagraph (E), by striking "; and" and inserting a semicolon;

(C) by redesignating subparagraph (F) as subparagraph (J); and

(D) by inserting after subparagraph (E) the following:

“(F) to carry out pilot programs in collaboration with the centers for manufacturing innovation such as a laboratory-embedded entrepreneurship program;
“(G) to provide support services and funding as necessary to promote workforce development activities;

“(II) to coordinate with centers for manufacturing innovation to develop best practices for the membership agreements and coordination of similar project solicitations;

“(I) to collaborate with the Department of Labor, the Department of Education, industry, career and technical education schools, local community colleges, universities, and labor organizations to provide input for the development of national certifications for advanced manufacturing workforce skills in the technology areas of the centers for manufacturing innovation; and”;

(2) in paragraph (3), by inserting “State, Tribal, and local governments,” after “community colleges,”; and

(3) in paragraph (5)—

(A) by striking “The Secretary” and inserting the following:

“(A) IN GENERAL.—The Secretary”; and

(B) by adding at the end the following:

“(B) Liaisons,—
“(i) IN GENERAL.—The Secretary may provide financial assistance to a manufacturing extension center established as part of the Hollings Manufacturing Extension Partnership to support the purposes of the Program by providing services in one or more of the following areas:

“(I) Cybersecurity awareness and support services for small- and medium-sized manufacturers.

“(II) Assistance with workforce development.

“(III) Technology transfer for small and medium-sized manufacturers.

“(IV) Such other areas as the Secretary determines appropriate to support the purposes of the Program.

“(ii) SUPPORT.—Support under clause (i) may include the designation of a liaison.”.

(f) REPORTING AND AUDITING.—Subsection (g) of such section is amended—
(1) in paragraphs (1) and (2), by striking “under subsection (d)(1)” and inserting “under subsection (d)(1)(A)”;

(2) in paragraph (2)(A), by striking “December 31, 2024” and inserting “December 31, 2030”; and

(3) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking “2 years” and inserting “3 years”; and

(ii) by striking “2-year” and inserting “3-year”; and

(B) in subparagraph (B), by striking “December 31, 2024” and inserting “December 31, 2030”.

(g) EXPANSION.—Subject to the availability of appropriations, the Secretary of Commerce shall increase the number of centers for manufacturing innovation that participate in the Network for Manufacturing Innovation Program.

SEC. 3. REGIONAL INNOVATION PROGRAM.

Section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722) is amended to read as follows:

"SEC. 27. REGIONAL INNOVATION PROGRAM.

“(a) DEFINITIONS.—In this section:
“(1) ELIGIBLE RECIPIENT DEFINED.—The term ‘eligible recipient’ means—

“(A) a State;

“(B) an Indian tribe;

“(C) a city or other political subdivision of a State;

“(D) an entity that is a nonprofit organization, an institution of higher education, a public-private partnership, a science or research park, a Federal laboratory, a venture development organization, or an economic development organization or similar entity that is focused primarily on improving science, technology, innovation, or entrepreneurship; or

“(E) a consortium of any of the entities described in subparagraphs (A) through (D).

“(2) REGIONAL INNOVATION INITIATIVE.—The term ‘regional innovation initiative’ means a geographically-bounded public or nonprofit activity or program to address issues in the local innovation systems in order to—

“(A) increase the success of innovation-driven industry;
“(B) strengthen the competitiveness of industry through new product innovation and new technology adoption;

“(C) improve the pace of market readiness and overall commercialization of innovative research;

“(D) enhance the overall innovation capacity and long-term resilience of the region; and

“(E) leverage the region’s unique competitive strengths to stimulate innovation and to create jobs.

“(3) STATE.—The term ‘State’ means one of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States.

“(4) VENTURE DEVELOPMENT ORGANIZATION.—The term ‘venture development organization’ means a State or nonprofit organization that contributes to regional or sector-based economic prosperity by providing services for the purposes of—

“(A) accelerating the commercialization of research;
“(B) strengthening the competitive position of industry through the development, commercial adoption, or deployment of technology; and

“(C) providing financial grants, loans, or direct financial investment to commercialize technology.

“(b) ESTABLISHMENT.—The Secretary shall establish a regional innovation program to encourage and support the development of regional innovation strategies designed to increase innovation-driven economic opportunity within their respective regions.

“(c) REGIONAL INNOVATION GRANTS.—

“(1) AUTHORIZATION OF GRANTS.—As part of the program established pursuant to subsection (b), the Secretary may award grants, on a competitive basis, to eligible recipients for activities designed to develop and support a regional innovation initiative.

“(2) PERMISSIBLE ACTIVITIES.—A grant awarded under this subsection shall be used for multiple activities determined appropriate by the Secretary, including—

“(A) improving the connectedness and strategic orientation of the region through planning, technical assistance, and communication
among participants of a regional innovation initiative;

"(B) attracting additional participants to a regional innovation initiative;

"(C) increasing the availability and investment of private and philanthropic financing that supports innovation-based business ventures;

"(D) completing the research, development and introduction of new products, processes, and services into the commercial market;

"(E) increasing the number of full-time equivalent employment opportunities within innovation-based business ventures in the geographic region; and

"(F) achieving quantifiable, positive benefits to, or measurable enhancements for, the economic performance of the geographic region.

"(3) RESTRICTED ACTIVITIES.—Grants awarded under this subsection may not be used to pay for—

"(A) costs related to the recruitment, inducement, or associated financial or tangible incentives that might be offered to relocate an ex-
isting business from a geographic area to another geographic area; or

“(B) costs associated with offsetting revenues forgone by one or more taxing authorities through tax incentives, tax increment financing, special improvement districts, tax abatements for private development within designated zones or geographic areas, or other reduction in revenues resulting from tax credits affecting the geographic region of the eligible recipients.

“(4) APPLICATIONS.—

“(A) IN GENERAL.—An eligible recipient shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

“(B) COMPONENTS.—Each application submitted under subparagraph (A) shall—

“(i) describe the regional innovation initiative;

“(ii) indicate whether the regional innovation initiative is supported by the private sector, State and local governments, and other relevant stakeholders;
“(iii) identify what activities the regional innovation initiative will undertake;

“(iv) describe the expected outcomes of the regional innovation initiative and how the eligible recipient will measure progress toward those outcomes;

“(v) indicate whether the participants in the regional innovation initiative have access to, or contribute to, a well-trained workforce and other innovation assets that are critical to the successful outcomes specified in the application;

“(vi) indicate whether the participants in the regional innovation initiative are capable of attracting additional funds from non-Federal sources; and

“(vii) if appropriate for the activities proposed in the application, analyze the likelihood that the participants in the regional innovation initiative will be able to sustain activities after grant funds received under this subsection have been expended.

“(C) FEEDBACK.—The Secretary shall provide feedback to program applicants that are
not awarded grants to help them improve future applications.

"(D) SPECIAL CONSIDERATIONS.—The Secretary shall give special consideration to—

"(i) applications proposing to include workforce or training related activities in their regional innovation initiative from eligible recipients who agree to collaborate with local workforce investment area boards; and

"(ii) applications from regions that contain communities negatively impacted by trade.

"(5) COST SHARE.—The Secretary may not provide more than 50 percent of the total cost of any activity funded under this subsection.

"(6) OUTREACH TO RURAL COMMUNITIES.—

"(A) IN GENERAL.—The Secretary shall conduct outreach to public and private sector entities in rural communities to encourage those entities to participate in regional innovation initiatives under this subsection.

"(B) JUSTIFICATION.—As part of the program established pursuant to subsection (b), not less frequently than once each year for the
duration of the program as authorized, the Secretary, acting through the Assistant Secretary of Commerce for Economic Development, shall submit to Congress an annual report that explains the balance in the allocation of grants to eligible recipients under this subsection between rural and urban areas.

“(7) FUNDING.—The Secretary may accept funds from other Federal agencies to support grants and activities under this subsection.

“(d) REGIONAL INNOVATION RESEARCH AND INFORMATION PROGRAM.—

“(1) IN GENERAL.—As part of the program established pursuant to subsection (b), the Secretary shall establish a regional innovation research and information program—

“(A) to gather, analyze, and disseminate information on best practices for regional innovation initiatives, including information relating to how innovation, productivity, and economic development can be maximized through such strategies;

“(B) to provide technical assistance, including through the development of technical
assistance guides, for the development and implementation of regional innovation initiatives;

“(C) to support the development of relevant metrics and measurement standards to evaluate regional innovation initiatives, including the extent to which such strategies stimulate innovation, productivity, and economic development; and

“(D) to collect and make available data on regional innovation initiatives in the United States, including data on—

“(i) the size, specialization, and competitiveness of regional innovation initiatives;

“(ii) the regional domestic product contribution, total jobs and earnings by key occupations, establishment size, nature of specialization, patents, Federal research and development spending, and other relevant information for regional innovation initiatives; and

“(iii) supply chain product and service flows within and between regional innovation initiatives.
“(2) RESEARCH GRANTS.—The Secretary may award research grants on a competitive basis to support and further the goals of the program established under this section.

“(3) DISSEMINATION OF INFORMATION.—Data and analysis compiled by the Secretary under the program established in this subsection shall be made available to other Federal agencies, State and local governments, and nonprofit and for-profit entities.

“(4) REGIONAL INNOVATION GRANT PROGRAM.—The Secretary shall incorporate data and analysis relating to any grant awarded under subsection (e) into the program established under this subsection.

“(e) INTERAGENCY COORDINATION.—

“(1) IN GENERAL.—To the maximum extent practicable, the Secretary shall ensure that the activities carried out under this section are coordinated with, and do not duplicate the efforts of, other programs at the Department of Commerce or at other Federal agencies.

“(2) COLLABORATION.—

“(A) IN GENERAL.—The Secretary shall explore and pursue collaboration with other Federal agencies, including through multi-agen-
cy funding opportunities, on regional innovation strategies.

"(B) SMALL BUSINESSES.—The Secretary shall ensure that such collaboration with Federal agencies prioritizes the needs and challenges of small businesses.

"(f) EVALUATION.—

"(1) IN GENERAL.—Not later than 5 years after Congress first appropriates funds to carry out this section, the Secretary shall competitively award a contract with an independent entity to conduct an evaluation of programs established under this section.

"(2) REQUIREMENTS.—The evaluation conducted under paragraph (1) shall include—

"(A) an assessment of whether the program is achieving its goals;

"(B) the program’s efficacy in providing awards to geographically diverse entities;

"(C) any recommendations for how the program may be improved; and

"(D) a recommendation as to whether the program should be continued or terminated.

"(g) REPORTING REQUIREMENT.—Not later than 5 years after the first grant is awarded under subsection (e),
and every 5 years thereafter until 5 years after the last
grant recipient completes the regional innovation initiative
for which such grant was awarded, the Secretary shall
submit a report to Congress that describes the outcome
of each regional innovation initiative that was completed
during the previous 5 years.

“(h) FUNDING.—From amounts appropriated by
Congress for economic development assistance authorized
under section 27 of the Stevenson-Wydler Technology In-
novation Act of 1980 (15 U.S.C. 3722), the Secretary may
use up to $50,000,000 in each of the fiscal years 2020
through 2024 to carry out this section.”.