

Proposal: Manufacturing Reinvestment Corporation Act

To establish a new Manufacturing Reinvestment Corporation in the Department of Commerce to develop and monitor a national manufacturing strategy, to identify and address supply chain weaknesses and align manufacturing with strategic opportunities and imperatives via local multi-stakeholder Manufacturing Renaissance Councils (MRCs), and for other purposes.

Manufacturing Reinvestment Corporation

The legislation charters the Manufacturing Reinvestment Corporation as the tax-exempt corporate body responsible for implementing and overseeing the activities of the national manufacturing strategy. The proposal will be funded by an initial \$20 billion appropriation by Congress with installments of \$5 billion over the four years after the passage of the legislation.

The corporation's board of directors will be a 15 member body with equal representation from federal agencies and national community stakeholders, respectively. The board will be supported by an Advisory Committee consisting of academic and industry experts, public administrators, local community stakeholders, and others at the discretion of the board. The board's proposed makeup includes:

1. Chief Manufacturing Officer, appointed by the President and confirmed by the Senate
2. Commerce Secretary, or their appointee
3. Labor Secretary, or their appointee
4. Education Secretary, or their appointee
5. Defense Secretary, or their appointee
6. Energy Secretary, or their appointee
7. Treasury Secretary, or their appointee
8. National Science Foundation Director, or their appointee
9. A manufacturing labor representative who within the past five years served in elected leadership of a national or regional labor union or federation, appointed by the President
10. A pre-K to 12 educator representative who within the past five years served in elected leadership of an educator's labor union, association, or federation, appointed by the President
11. A worker-owner representative who within the past five years served in elected leadership of an employee-owned manufacturing firm, appointed by the President
12. A manufacturing business representative who within the past five years served in a voluntary leadership position in a manufacturing business association, appointed by the President
13. A faith representative who within the past five years served in a voluntary leadership position in a national or regional faith-based community development association, appointed by the President
14. A racial justice representative who within the past five years served in a voluntary leadership position in a nonprofit that develops strategies toward Black, Latino, Asian-American, or Indigenous advancement, appointed by the President
15. An environmental justice representative who within the past five years served in a voluntary leadership position in a nonprofit that develops strategies towards addressing

the climate crisis, appointed by the President

The board will hire the executive director to serve as chief executive officer of the corporation, who will appoint and remove employees as necessary to carry out the purposes of the corporation. The corporation's operational units will include: Applied Research and Technology, Public Outreach and Communication, and Technical Assistance and Strategic Coordination, and others established at the board's discretion.

The board will develop the national manufacturing strategy every four years, with the first strategy developed by the end of 2022. The body sets strategic objectives, including:

- Manufacturing representing 20% of GDP by 2035
- Net-zero greenhouse gas emissions sector-wide by 2030
- Ensuring the diversity of owners in manufacturing sectors is representative of the relevant local areas by 2030
- Balancing geographic diversity, community stability, and racial equity when it comes to locating and planning new manufacturing capacity
- Increasing worker ownership across the sector and establishing minimum worker ownership thresholds for firms at various scales
- Worker representation on company boards at various scales
- Closing identified skills gap in the manufacturing sector to zero

Manufacturing Renaissance Councils

The corporation achieves the national manufacturing strategy through locally established Manufacturing Renaissance Councils (MRCs). Regions submit competitive bids to the NMRC to create a local MRC with the national goal of establishing 30 MRCs over ten years. The MRCs will be composed of public, private, and community stakeholders, including:

- Labor unions
- Manufacturing employee associations, such as the Young Manufacturers Association
- Faith or community-based organizations
- Manufacturing business associations
- Local governments
- Pre-K to 12 teachers' unions and associations
- Community colleges
- Minority serving institutions of higher education

The applications to establish MRCs will be reviewed by the following criteria:

- Economically distressed communities, measured by magnitude of job loss in the relevant jurisdiction over the past 20 years
- Socially disadvantaged communities, measured by proportion of the jurisdiction's population that identifies as BIPOC
- Industrial capacity, measured by location quotient of manufacturing subsectors, history of manufacturing capacity and the strength of its existing community, financial, and technical stakeholders

The MRCs will submit annual reports to the NMRC on its spending and programmatic success in line with the nationally determined strategy. To achieve the national manufacturing strategy, the MRCs will establish and administer the following programs, using federally appropriated funds:

- *Anchor Institutions*: support community wealth building strategies, whereby a place-based anchor institution (e.g., universities, local government) uses its procurements and properties to incubate employee-owned and sustainable enterprises, with technical and financial assistance
- *Early Warning Systems* : proactive outreach to smaller companies facing closure risks to identify short and long-term technical and financial needs. These systems gather public data as well as information from employees and service providers identifying problems that can be solved before they constitute a crisis. These systems can be supported by Workforce Investment Opportunity Act (WIOA) funds.
- *Re/Cast*: develop acquisition and ownership succession strategies for aging firms, firms that are scheduled to be sold or relocated, and strategically or geographically important firms -- focusing on worker and minority ownership
- *Public Finance* : facilitate the development of publicly-owned financial institutions, including, but not limited to, publicly-owned banks, holding companies, investment and asset management firms, revolving loan funds, and insurance pools; work with community development financial institutions and other local lenders to provide loan guarantees; provide grants and loans for commercial real estate development
- *Education Pipeline* : provide resources and training for cultural and technologically competent instructors in local Pre-K through 12th grade career education, pre-apprenticeship, skills training, and community college programs, focusing especially on creating leadership and ownership pathways for people of color and women in manufacturing
- *Wraparound Services*: provide grants to local governments and community-based organizations for supportive (i.e., child care and transportation), mentoring, and social services.
- *Diversity, Equity, and Inclusion* : provide non-traditional manufacturing populations (i.e., women, Black, Indigenous, and Latino entrepreneurs) leadership development, mentoring, alongside DEI efforts within manufacturing corporations.