Manufacturing Technology Acceleration Center Pilot Projects

Request for Information

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The South Carolina Manufacturing Extension Partnership (SCMEP) appreciates the opportunity to provide comments in response to the RFI on the M-TAC proposal in the FY14. As one of the three original MEP's in 1988, it is critical that we have the opportunity to comment on a program in which MEP Centers are integrally involved.

Questions 1: What are the specific types of technology transition and commercialization tools and services that should be provided by M-TACs? Emphasis is on the alignment of these tools and services with the most pressing needs of small and mid-sized U.S. manufacturers.

Without knowledge of the needs of the specific supply chains or industries, it is impossible to specify what technology commercialization tools and services could be provided. Pressing needs should be identified first. M-TACs should then call upon industry experts and research institutions to develop tools and services to meet these needs and offer them as a suite of services to Centers to implement. M-TACs should focus on improving small manufacturers performance and integration within a supply chain, without prescribing (or requiring) a method in which to achieve it.

Throughout the history of the program, SCMEP has learned that the needs of its small manufacturing clients are as unique as their product. Tools and services must be tailored to the needs of each unique client. Unless prescribed by an OEM, technology transition and commercialization tools would need maximum flexibly for small manufacturer implementation.

Question 1a: How would M-TAC services complement the services currently offered by MEP Centers?

SCMEP currently offers an array of services to small manufacturers including (but not limited to): process improvements; quality systems; business systems; workforce development; product development and testing; innovation; and technology implementation. The M-TAC would be yet another access point to manufacturers which would provide a specialized expertise around one industry cluster or supply chain. M-TACs could also coordinate the supplier development needs of OEMS and serve as an intermediary between the OEM and MEP Centers for implementation to suppliers. MEP Centers would continue to be the local contact to all small and medium-sized suppliers but draw upon regional or national resources as necessary.

Question 2: What role should future M-TACs play with respect to supply chain needs? How should OEMs participate? How can industry associations, professional societies, and other appropriate national organizations participate?

M-TACs should have a significant role in identifying the needs and challenges of supply chains as noted above. By first identifying the needs of the supply chain and developing a supplier

standard in each area, the M-TACs can then identify appropriate tools and services that can meet those needs. Doing so would identify market demand for supplier development services which would drive local manufacturers to pay for those services through their local MEP Center. Market demand for supplier development services is a critical component to the M-TAC program as cost share for the MEP Center is a significant driver of service delivery.

Industry associations, professional societies and other appropriate national organizations could participate in three ways. First, these organizations can serve a key role in identifying the needs of various supply chains and assisting in the supplier standard in each of those areas. Second, industry associations and professional societies could be a service provider of the M-TAC to SCMEP clients. For example, with significant knowledge of the supply chain M-TAC experts could provide an individual market analysis of the supply chain for perspective suppliers. Third, these organizations can market the M-TAC services specific to the supply chain.

Question 3: Is there a particular long-term scalable and financially sustainable business model that should be implemented by future M-TACs that will enable small and mid-sized U.S. manufacturers to effectively access and benefit from the technology transition and commercialization assistance and other resources they need?

Without authorization as proposed, the current M-TAC program does not have long-term scalable and financially sustainable business model without using the existing MEP network. By using the existing MEP Center network for cost share and reporting, start-up costs are minimized and the probability for success for the M-TAC program are increased. If the M-TAC program is structured like a specialized coordination or service model for industry clusters and supply chains, it could be an addition to a Center's base offering and therefore use the financial and reporting mechanisms in place to be scalable in the future. This structure (exempt from cost share) could be immediately effective and targeted as M-TACs are intended.

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Questions 3a: Because of the programmatic connection to the NIST MEP Program, M-TACs may require cost share. Are there cost share models for future M-TACs that promote scale up to reach nationally dispersed clusters of small and med-sized manufacturers? If so, what are those models, and why might they be successful?

The M-TAC program should not require cost share. If the Centers are to be the conduit to the manufacturer and the deliverer of services using the M-TAC specialist as third party providers, the program should not require cost share. Placing a matching requirement on M-TACs would be duplicative to current Center matching requirements and could be detrimental to base operations of an MEP Center. Currently, Centers are strategically partnered with local research

institutions, federal labs and others. If M-TACs require cost share separately, Center partners would be more inclined to partner with the M-TAC assuming that the cost requirement is less than the Center. In addition, these research institutions would be more inclined to partner with a regional based M-TAC than their local Center for the prospects of a broader manufacturing base. These two factors alone would cause Centers to possibly lose match necessary to access federal funds for the base MEP Center award as well as client impact needed to maintain it.

There are several programmatic connections to the NIST MEP Program that do not require cost share. An example of which is the State Relations Rapid Response Team Grant referenced above. Although this program used NIST authority, it was directly related to MEP and was similar in its approach. The Rapid Response Team was funded as group of specialist that would be deployed to Centers to improve upon or establish state relations. M-TACs would operate in an identical manner and therefore should not require cost share.

Another example is the "T-CAR" grant program authorized in the America COMEPETES Act (PL110-69). Funding was subsequently provided for this authorized program via MEP's annual appropriation without a special designation in the appropriations law. "Unless the underlying law prohibits it, the Congress may also extend the program, simply by providing new appropriations."[1] Since appropriations for the T-CAR program was not specifically included in the FY10-13 Appropriations bills, yet was funded, existing precedent exists to use part of MEP's overall appropriation for the M-TAC program using T-CAR authority as a basis. Through the T-CAR authorization, Centers (or collaboration of Centers) can apply to expand existing operations to provide such services using the existing infrastructure, metric system and partners in place.

Question 4: How should an M-TAC's performance and impact be evaluated? What are appropriate measures of success for future M-TACs? Please explain your response including the value of performance measure to business growth.

M-TAC performance and impact should be evaluated through the existing MEP client survey. This would prevent increased administrative burden and cost to both NIST and MEP Centers. M-TAC success is based on small manufacturers' improved access and integration into the supply chain. Additional client survey questions should include new and retained access to supply chains which would measure the success of a client served by the M-TAC and therefore the M-TAC itself.

[1] http://www.appropriations.senate.gov/about-budget-process.cfm

Question 5: Are there any other critical issues that NIST MEP should consider in its strategic planning for future M_TAC investments that are not covered by the first four questions? Is so, please address those issues here and explain your response.

M-TAC Recipient. Recipients of an M-TAC award should be a MEP Center or a collaboration of Centers with a proven expertise in an industry cluster or supply chain. M-TAC recipients should collaborate with research consortia, institutions and/or organizations with a technical expertise in the industry cluster or supply chain. The success of the M-TAC program should be locally driven as the needs of small manufacturers are individualized and cannot be broadly implemented.