

103D CONGRESS
1ST SESSION

S. 358

To direct the Secretary of Commerce to provide grants to States to provide technical and financial assistance to small and medium-sized manufacturers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16 (legislative day, JANUARY 5), 1993

Mr. WOFFORD introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To direct the Secretary of Commerce to provide grants to States to provide technical and financial assistance to small and medium-sized manufacturers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; STATEMENT OF PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Industrial Innovation Act of 1993”.

6 (b) STATEMENT OF PURPOSE.—The purposes of this
7 Act are to help small and medium-sized businesses to uti-
8 lize the best practices in quality processes, productivity,
9 and marketing programs and to utilize such practices in
10 human resource management.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this Act, the following definitions
3 apply:

4 (1) SMALL AND MEDIUM-SIZED MANUFAC-
5 Turer.—The term “small and medium-sized manu-
6 facturers” shall have such meaning as the Secretary,
7 by regulation, shall prescribe.

8 (2) SECRETARY.—The term “Secretary” means
9 the Secretary of Commerce.

10 (3) STATE.—The term “State” means each of
11 the several States, the District of Columbia, Amer-
12 ican Samoa, the Federated States of Micronesia,
13 Guam, the Republic of the Marshall Islands, the
14 Commonwealth of the Northern Mariana Islands,
15 the Commonwealth of Puerto Rico, Palau, and the
16 Virgin Islands.

17 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) IN GENERAL.—There is authorized to be appro-
19 priated for fiscal years 1994, 1995, and 1996 not more
20 than \$300,000,000 to carry out this Act.

21 (b) AVAILABILITY.—Amounts appropriated pursuant
22 to the authorization provided by subsection (a) shall re-
23 main available until expended.

24 **SEC. 4. APPLICATION.**

25 (a) GRANTS.—The Secretary is authorized to make
26 grants to the States to enable the States to provide tech-

1 nical and financial assistance to small and medium-sized
2 manufacturers in accordance with this Act.

3 (b) IN GENERAL.—To receive a grant under this Act,
4 a State shall submit to the Secretary an application at
5 such time and in such form and containing such informa-
6 tion as the Secretary may require, including, but not
7 limited to—

8 (1) the certifications required under subsection
9 (c);

10 (2) identification of the impact of industrial job
11 loss on the State, regions within the State, and par-
12 ticular communities;

13 (3) the need for services among manufacturing
14 firms;

15 (4) existing State and local efforts to address
16 such needs;

17 (5) assurances satisfactory to the Secretary
18 that the State will use amounts from a grant only
19 for the eligible activities under section 5;

20 (6) identification, through a strategic plan, of
21 how a grant will leverage coordination of existing
22 private and public business services, financial assist-
23 ance, job training and educational programs in sup-
24 port of objectives of the grant;

1 (7) assurances satisfactory to the Secretary
2 that the State will not provide technical and finan-
3 cial assistance under this Act to any small or me-
4 dium-sized manufacturer who does not have a com-
5 mittee, comprised of management and employees
6 other than management, advising on planning and
7 new technology, and making recommendations con-
8 cerning training needs and health and safety issues;
9 and

10 (8) assurances satisfactory to the Secretary
11 that assistance provided in accordance with this Act
12 are coordinated with other Federal and State efforts
13 to meet the needs of small and medium-sized manu-
14 facturers and their employees.

15 (c) CERTIFICATIONS.—The State shall certify to the
16 satisfaction of the Secretary that—

17 (1) the State will provide funds from its reve-
18 nues in an amount equal to \$1 for every \$10 of Fed-
19 eral funds from such grant for the purpose of pro-
20 viding technical and financial assistance to small
21 and medium-sized manufacturers;

22 (2) the State will maintain its aggregate ex-
23 penditures from all other sources for programs
24 which provide technical and financial assistance to
25 small and medium-sized manufacturers at or above

1 the average level of such expenditures in the 2 fiscal
2 years preceding the date of the enactment of this
3 Act;

4 (3) the State will require each small and me-
5 dium-sized manufacturer receiving financial assist-
6 ance under section 5 to provide funds in an amount
7 equal to and not less than \$1 for every \$1 of funds
8 provided to the manufacturer in those cases where
9 the State provides direct financial assistance under
10 such section for the purpose of supplementing such
11 funds;

12 (4) the State will evaluate any subgrantee in
13 accordance with objective measures of success for
14 State programs established by the Secretary, includ-
15 ing growth in employment, productivity, market
16 share and sales. The State will submit annually to
17 the Secretary a report containing such information
18 as the Secretary shall determine appropriate, includ-
19 ing evaluations of any State subgrantee; and

20 **SEC. 5. ELIGIBLE ACTIVITIES.**

21 (a) IN GENERAL.—A State shall use amounts from
22 a grant under this Act only to provide technical and finan-
23 cial assistance to small and medium-sized manufacturers
24 doing business in such State in accordance with the alloca-
25 tion requirements under subsection (b).

1 (b) STATE ALLOCATION.—The State will allocate
2 amounts received from a grant under this Act in accord-
3 ance with the following requirements:

4 (1) 50 percent of amounts received from the
5 grant will be reserved by the State to provide tech-
6 nical and financial assistance to small and medium-
7 sized manufacturers to make quality and productiv-
8 ity improvements and expand markets through var-
9 ious activities, including—

10 (A) developing and carrying out strategic
11 planning for innovation and industrial mod-
12 ernization;

13 (B) developing and carrying out advanced
14 manufacturing processes, practices and tech-
15 niques, and best commercial practices;

16 (C) transferring advanced manufacturing
17 technologies and best commercial practices;

18 (D) assessing export potential and under-
19 taking export marketing programs;

20 (E) supporting manufacturing extension
21 services;

22 (F) fostering supplier networks and other
23 forms of collaboration among businesses to im-
24 prove competitiveness;

1 (G) assistance in developing new products
2 and technologies;

3 (H) market expansion assistance, including
4 support for export trade, and procurement as-
5 sistance centers that are recognized by the
6 Small Business Administration;

7 (I) strategic financing assistance for ex-
8 port, new product development and the com-
9 mercialization of new technologies;

10 (J) planning development and design of
11 projects for new commercial uses in critical
12 technology areas such as high speed transpor-
13 tation technology, digital communications, and
14 optical electronics; and

15 (K) assessing employee training needs and
16 arranging for appropriate training resources;
17 and

18 (2) 50 percent of amounts received from the
19 grant will be reserved by the State to provide tech-
20 nical and financial assistance to small and medium-
21 sized manufacturers to undertake human resource
22 development initiatives essential for industrial mod-
23 ernization and the fulfillment of improved competi-
24 tiveness strategies, including—

1 (A) developing and carrying out high per-
2 formance workplace systems and employee in-
3 volvement and Labor-Management Committees
4 to—

5 (i) reduce overspecialization;

6 (ii) foster flexible work organization;

7 (iii) increase teamwork among work-
8 ers across functional work units; and

9 (iv) expand employees' roles as part-
10 ners with management in planning and
11 managing change;

12 (B) developing and carrying out company
13 and industry-specific training for workers re-
14 quired for the introduction of advanced manu-
15 facturing technologies and other industrial mod-
16 ernization initiatives;

17 (C) developing and carrying out work force
18 literacy programs for industrial modernization;
19 and

20 (D) developing and carrying out programs
21 to encourage employee ownership.

22 (c) COORDINATION.—The Secretary of Commerce
23 shall coordinate as necessary with the Secretary of Labor
24 and States' employment services and Service Delivery
25 Areas (as described in section 101 of the Job Training

1 Partnership Act) and other pertinent State agencies to
2 carry out the provisions of this Act.

3 **SEC. 6. REPORT.**

4 Not later than January 1, 1996, the Secretary shall
5 submit to the Congress a report containing—

6 (1) a compilation of the information contained
7 in the State reports received by the Secretary pursu-
8 ant to section 4(c)(4); and

9 (2) an evaluation of the effectiveness of the
10 grant program.

11 **SEC. 7. EVALUATION.**

12 The Secretary shall establish objective measures of
13 success for State programs, including growth in employ-
14 ment, productivity, market share and sales. The Secretary
15 shall annually evaluate the success of each State program
16 receiving a grant pursuant to this Act. No State shall be
17 eligible for future grants that has not successfully used
18 a grant as determined by the Secretary.

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