

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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June 18, 2012

The Honorable John Holdren
Director
Office of Science and Technology Policy
725 17th Street Room 5228
Washington, DC 20502

The Honorable Jeffrey Zients
Acting Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Dr. Holdren and Mr. Zients:

We are writing to request greater detail about the Administration's proposed National Network of Manufacturing Innovation (NNMI), the corresponding administrative pilot program, and the anticipated funding plans.

The limited information that has been provided thus far describes the NNMI as a public-private partnership to advance U.S. manufacturing. It is envisioned that up to 15 institutes will be created across the country where researchers, companies, and academia can collaborate and invest in new advanced manufacturing technologies. The National Institute of Standards and Technology (NIST) has been tasked with coordinating the interagency program.

The Administration's Fiscal Year 2013 (FY13) budget request, in which the creation of the Manufacturing Innovation Institutes was initially proposed, states that "the Administration will propose legislation creating a mandatory account making available \$1 billion."¹ During our Committee's subsequent hearing to evaluate NIST's budget request, the agency was unable to provide any details about the NNMI's structure and funding, but hoped that an upcoming announcement from the Administration would provide the desired information.²

¹ Depart of Commerce, Budget in Brief, Fiscal Year 2013,
http://www.osec.doc.gov/bmi/budget/FY13BIB/fy2013bib_final.pdf

² *An Overview of the National Institute of Standards and Technology Budget for Fiscal Year 2013: Hearing before the Committee on Science, Space and Technology Subcommittee on Technology and Innovation*, 112th Cong. (March 6, 2012).

However, without providing any further details, on March 9, 2012, the Administration held a public event in Virginia during which the President announced the creation of a NNMI pilot program supported by up to \$45 million in FY12 funds drawn from “existing resources” at multiple agencies, including three within this Committee’s jurisdiction: NIST, the National Science Foundation (NSF), and the Department of Energy (DOE). More recently, we learned that the National Aeronautics and Space Administration (NASA) will also participate in the pilot. The funds are apparently being transferred from these agencies to the Department of Defense, which is leading the pilot program.

On April 24, the Administration held a workshop at Rensselaer Polytechnic Institute for representatives from industry, academia, and government to discuss the design of the proposed NNMI.³ On May 4, 2012, NIST also published a Request for Information (RFI) inviting interested parties to provide suggestions for the development of the NNMI⁴ and is holding a second planning workshop on July 9, 2012 in Warrensville, Ohio.⁵

Seeing these developments and the number of public events being held, the Committee invited NIST Director Gallagher to testify a second time at a hearing on May 31, 2012 to provide further details about the structure of the proposal for both the pilot and the proposed network of institutes. Unfortunately, we were again frustrated by the lack of information. When discussing the authorizing legislation, Dr. Gallagher stated that it was not the Administration’s intention to provide suggested legislation and that NIST was merely attempting to identify principles for it to embody.⁶ The agency was still unable to provide details on the funding source for the \$1 billion and stated that it had not concentrated on identifying the offsets necessary, even though the proposal is envisioned to be a mandatory account.⁷ This is particularly troubling since Congress is currently in the process of appropriating for FY13 and needs to understand from what accounts the offset funding for the NNMI would be drawn. Dr. Gallagher did state that the policy and strategy for the NNMI is being led by the White House.

We are submitting additional questions for the record to Dr. Gallagher regarding NIST’s role in the NNMI. However, because of your leadership of this proposal and concurrent responsibilities to advise the Administration on science and technology issues and coordinate cross-agency collaboration, we expect that you will be able to answer some of the broader questions we have about the pilot and proposed NNMI.

Therefore, we write today asking you to provide further details on the proposed pilot and network of institutes. Specifically, what other activities at NIST, NASA, NSF and DOE are being reduced in order to fund the pilot program in FY12, FY13 and FY14? How did the Administration arrive at the funding level of \$1 billion for the greater network? Why would the Administration propose to fund the NNMI in FY13 when the pilot, which is supposed to serve as

³ National Network for Manufacturing Innovation, http://manufacturing.gov/amp/event_042512.html

⁴ NIST Request for Information on Proposed New Program: National Network for Manufacturing Innovation (NNMI), <http://www.gpo.gov/fdsys/pkg/FR-2012-05-04/pdf/2012-10809.pdf>

⁵ National Network for Manufacturing Innovation, <http://www.manufacturing.gov/amp/ampevents.html>

⁶ *Assembling the Facts: Examining the Proposed National Network for Manufacturing Innovation: Hearing before the Committee on Science, Space and Technology Subcommittee on Technology and Innovation*, 112th Cong. (May 31, 2012).

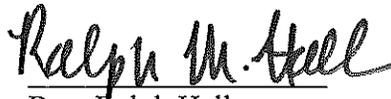
⁷ *Id.*

a proof of concept for the greater network, will not be completed until at least the end of FY14? In addition, please share with us the specific offsets the Administration has identified for use in establishing the proposed FY13 mandatory fund for the NNMI.

Without this level of specificity, it will be difficult to view NNMI as a legitimate proposal, and we will continue to have serious concerns with the number of public events held, and the use of previously authorized funds being redirected from agencies under our Committee's jurisdiction and spent on an a new administrative pilot program. We look forward to your prompt response.

Sincerely,


Rep. Ben Quayle


Rep. Ralph Hall


Rep. Lamar Smith