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**President Obama to Announce New Efforts to Support Manufacturing Innovation,  
Encourage Insourcing**

*Administration Proposes New National Network to Support Manufacturing, Takes Immediate Action to  
Create a Pilot Manufacturing Institute*

On Friday, President Obama will continue to highlight the successful trend of insourcing – companies from around the world bringing jobs back and making new investments here in the United States – at the Rolls-Royce Crosspointe jet engine disc manufacturing facility in Prince George County, Virginia. The President’s Blueprint for An Economy Built to Last lays out a number of ways we can encourage insourcing, support investment in our manufacturing sector, and create good jobs here in the United States, and today’s announcements build on those efforts.

The President will announce a new proposal for a National Network for Manufacturing Innovation, to build a network of up to fifteen Institutes for Manufacturing Innovation around the country, serving as regional hubs of manufacturing excellence that will help to make our manufacturers more competitive and encourage investment in the United States. The President’s Budget proposes a \$1 billion investment to create this new National Network for Manufacturing Innovation.

The President will also announce that the Administration will take immediate steps to launch a pilot institute for manufacturing innovation as part of its *We Can’t Wait* efforts. The pilot institute will be funded from \$45 million of existing resources from the Departments of Defense, Energy, and Commerce and the National Science Foundation, and will be selected from a competitive application process.

The Rolls-Royce Crosspointe jet engine disc manufacturing facility the President will visit is an example of how insourcing means companies from around the world are creating new, good paying jobs here at home. The company is planning to add 140 new jobs at Crosspointe and more than 100 additional jobs in Indiana manufacturing components for commercial aircraft engines. Crosspointe is a center of advanced manufacturing and innovation that demonstrates collaboration can spur American jobs and competitiveness.

BACKGROUND ON TODAY’S ANNOUNCEMENTS:

Over the past two years, the U.S. manufacturing sector has added more than 400,000 jobs, the first period of sustained job growth since the 1990s. The President’s proposals to revitalize American manufacturing build on that momentum and recognize that a growing and vibrant manufacturing sector is central to our ability to innovate, to export, and to create good-paying American jobs. Over the previous decade manufacturing production and investment stalled, and we lost ground to our competitors. To create an economy that is built to last, we must

ensure that the next generation of products are not only invented here, but manufactured here as well.

To meet this challenge the President will announce a new \$1 billion proposal, the National Network for Manufacturing Innovation. The President's proposal will catalyze a network of up to fifteen Institutes for Manufacturing Innovation around the country. The Institutes will bring together industry, universities and community colleges, federal agencies, and our states to accelerate innovation by investing in industrially-relevant manufacturing technologies with broad applications to bridge the gap between basic research and product development, provide shared assets to help companies – particularly small manufacturers – access cutting-edge capabilities and equipment, and create an unparalleled environment to educate and train students and workers in advanced manufacturing skills. Each Institute will serve as a regional hub of manufacturing excellence, providing the innovation infrastructure to support regional manufacturing hubs and ensuring that our manufacturing sector is a key pillar in an economy that is built to last. This model has been successfully deployed in other countries and represents a gap in the U.S. manufacturing innovation infrastructure that the President's proposal will address.

The Institutes will each have a well-defined technology focus to address industrially-relevant manufacturing challenges on a large scale and to provide the capabilities and facilities required to reduce the cost and risk of commercializing new technologies. While the Institutes would be competitively selected, several areas of innovation illustrate the opportunities that this proposal could help to realize:

- Developing *lightweight materials*, such as low-cost carbon fiber composites (CFC's), that will improve fuel efficiency, performance, and corrosion resistance of the next generation of automobiles, aircraft, ships and trains.
- Refining standards, materials, and equipment for "*3-D printing*" (also known as additive manufacturing) to enable low-cost, small batch production using digital designs that can be transmitted from designers located anywhere.
- Creating a *smart manufacturing* infrastructure and approaches that lets operators make real-time use of "big data" flows from fully-instrumented plants in order to improve productivity, optimize supply chains, and improve energy, water, and materials use.

The new National Network for Manufacturing Innovation will work to leverage new investment from industry, state and local government, and the research community. This initiative will be a collaboration between Commerce's National Institute of Standards and Technology, the National Science Foundation, the Department of Defense, and the Department of Energy.

The President also announced the launch of a pilot institute with an initial federal investment of \$45 million from the Department of Defense, Department of Energy, Department of Commerce, and the National Science Foundation. The pilot will demonstrate the type the collaboration planned for the National Network for Manufacturing Innovation. The pilot will be selected through a competitive process that uses existing resources and fits within the agencies' statutory missions, using current funding and authorities, while addressing key challenges faced by the U.S. manufacturing sector.

The pilot institute will address a focused technology area to reduce the risk and cost of commercializing and scaling-up new manufacturing products and processes. At least \$30 million in total funding from the Departments of Defense, Energy and Commerce will support investments in advanced manufacturing equipment and research activities, \$5 million in funding from NSF will support basic research in advanced manufacturing and the workforce development component of the pilot, in part under the NSF Advanced Technological Education program, and \$10 million in funding from the Department of Defense will support scaling-up production of technologies developed from the pilot institute in support of critical national defense needs. This approach reflects a unique degree of inter-agency coordination around a shared goal to promote the President's manufacturing agenda without need for Congressional action.

Crosspointe demonstrates the potential for supporting U.S. manufacturing through this type of collaboration model. Later this summer, the Commonwealth Center for Advanced Manufacturing (CCAM) will open its doors, an applied research center developed in partnership between eight companies including Rolls-Royce, the state of Virginia, three leading Virginia universities, and an investment from Commerce's Economic Development Administration. CCAM, like the proposed Institutes, bridges the gap from basic research to product development and supports the skills needed for an advanced manufacturing workforce.

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